The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Shanghai Opium Licensing Question and American Policy

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Chinese Culinary Art—the Best in the World . By T. S. Young

SATURDAY, JULY 10, 1937 VOLUME 81, NUMBER 6

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Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

Volume 81 | Shanghai, China, Saturday, July 10, 1937 | Number 6

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; TRYPHON V. KU, Advertising Dept.; F. K. CHAO, Business Dept.

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

CHINA'S "GASOLINE" CRISIS AND FUTURE OF ROAD BUILDING

WHEN the owner of a motor car or truck in Nanking or Shanghai stops at a filling station and purchases a supply of gasoline he pays approximately $1 a gallon. It therefore costs about $10 to fill an ordinary motor car or truck tank. The retail selling price of gasoline is determined by two factors: production and transportation cost of the fuel itself and taxation levied by the government.

The two items are about equal so that the $10 which the motor car owner pays for his 10 gallons of gasoline represents $5 covering the actual cost of the gasoline and $5 for the tax which is levied by the government.

Since the price of gasoline as delivered on the China coast by at least three companies, does not differ greatly from the standard world price it may be seen that the exorbitant cost of motor car fuel in China is largely due to the heavy taxes. In Japan the cost of gasoline is only about 45-sen a gallon, the equivalent of 13-cents in American currency or 44-cents in Chinese currency.

Quite often one reads reports from official sources telling of efforts to develop other sources of fuel supply to replace gasoline such as the use of Diesel engines which burn crude oil, or engines which have been "converted" to the use of charcoal-gas. While the fuel item in both cases is cheaper than gasoline there are other elements which make both Diesel and charcoal-gas propelled engines unsatisfactory. The initial outlay for either Diesel or charcoal-gas equipment for a motor truck is much higher than the cost of the ordinary gasoline propelled vehicle. In the case of charcoal-gas propelled cars or trucks the equipment is so heavy that it takes up much of the load which the vehicle is capable of carrying.

Therefore the solution of the problem of motor transportation in China depends upon the solution of the problem of high cost of fuel, approximately half of which is due to taxes levied

by the government itself. The ordinary gasoline-propelled vehicle remains the most efficient and most economical, providing the problem of taxation could be adjusted so as to permit a reduction in the cost of gasoline.

It is obvious that the Government needs the money otherwise it would not levy such a high tax on gasoline, but experts who have gone into the question are convinced that a lowering of the tax, say to about 10 percent of the basic cost would so stimulate motor transportation, particularly the use of trucks and busses in the interior of the country, that the Government would soon obtain more revenue than it does today under the high tax system.

It is no secret that the high cost of gasoline, due to heavy taxes, is rapidly driving the trucks off the roads. This is particularly true of the roads in Kiangsu and Chekiang where few trucks or busses are now seen. In Nanking it was reported that several large companies handling heavy equipment had ceased the use of motor-trucks and had gone back to hand-trucks propelled by coolies. If the situation grows much worse only the Government itself will be able to afford the use of trucks.

It is also no secret that comparatively few trucks or busses are being operated on many of the new roads which the Government has built at heavy expense in the interior of the country. That this represents a serious economic waste goes without saying.

That cheap and efficient transportation are vital necessities in China is so well known that it requires no repetition here. Increased production of agriculture or industrial establishments is of little value unless the products of farm or factory can be transported about the country cheaply, efficiently and safely. Therefore, the high authorities of the Government should give heed to the problem of adjusting the tax on gasoline, a vital element in the general transportation problem. Obviously it is not worth while continuing the construction of costly roads, if no one can afford to operate cars, trucks or busses on them.

While much is being heard about the necessity of stimulating foreign trade, or at least the balancing of foreign trade by increasing exports, it is the rapidly expanding domestic trade of the country which is of greatest importance. If domestic trade can be permitted to expand, through development of cheap internal transportation the growth of foreign trade will take care of itself.

There are numerous other elements concerned with motor transportation which also should receive serious consideration. There should be one universal license for the whole country and it also should be as low-priced as possible. The Legislative Yuan ought to pass a law compelling provincial officials or organs to reimburse private individuals or companies when cars, trucks and busses are commandeered for official use. As the situation stands today private individuals or companies in interior sections of the country refuse to invest money in motor-transportation enterprises due to fear of seizure of their equipment by governmental agencies. The Government, in time of emergency, should have the right to commandeer cars, trucks and busses for military or other official service, but the private owners should be reimbursed when this is done. In Japan the War Department actually grants a small subsidy to individuals and firms to induce them to purchase a certain type of truck, the production and use of which the War Department desires to stimulate.

The elimination of restrictions on private individuals or agencies engaged in the transportation of passengers and freight on the roads probably would do more to stimulate cheap and efficient transportation in the interior of the country than any other element in the reconstruction program.

Some persons have suggested that the National Government should set up in Nanking a special committee concerned with motor-transportation—a sort of appeal bureau or "brain trust"—which would give its undivided and expert attention to the stimulation and coordination of motor-transportation, but perhaps this would be going too far at one step. The first problem to be solved, obviously, is concerned with the cost of gasoline, which, due largely to the high taxes has become so expensive as to bring into effect that old and inescapable "law of diminishing returns," meaning that the high tax is defeating the purpose of its imposition by forcing owners of cars, trucks and busses to discontinue the use of gasoline-propelled vehicles and revert to the use of coolie-propelled hand-trucks.

Prince Chichibu Lauds British Help in Japan's Industrialization

A hope for the furtherance of Anglo-Japanese industrial co-operation, "which would contribute to the promotion of peace and prosperity of the entire world," was expressed July 2 by Prince Chichibu at a Birmingham Luncheon given in his honor by H. Roberts, Lord Mayor. Prince Chichibu also expressed his appreciation of the British industrialists' reported readiness to co-operate with the Japanese industrial world. Such co-operation in the past, he added, has helped Japan to achieve her present industrial efficiency.

Japan Prepared to Co-operate with Britain on China Questions

Japan is fully prepared to enter into negotiations with Great Britain on China questions, but is less ready to talk about trade relations between the two countries, declared Chokyuro Kadono, head of the Japanese Industrial Mission to Great Britain, on his arrival in London July 5. Mr. Kadono told his interviewers that he believed Japan had made adequate preparations to co-operate with Great Britain on China questions. Both the Japanese Government and people, he believed, are now unanimous in recognizing British interests in China, and the permanent possibility of Anglo-Japanese mutual assistance.

The Move to Register Opium Addicts in the International Settlement

THE accompanying cartoon from the *North-China Daily News*, British newspaper in Shanghai, plus the editorial use by that newspaper of such phrases as "sinister significance," "menace of gangster traffic," and similar expressions, indicated the apprehension felt by thoughtful residents of this city at the publication of reports that negotiations have been proceeding which have as their objective the extension of the Chinese Government's opium licensing and selling system to the residents of the International Settlement.

"GANGSTERDOM, SINISTER UNDERWORLD POWERS"

Cartoon from the British paper, *North-China Daily News*, depicting the apprehension which prevails regarding the present opium negotiations.

While the Chinese Government's six-year suppression program has received the approval of the League of Nations' Opium Advisory Committee there is a well grounded fear that the introduction of this system into the rich and populous International Settlement might quickly result in the recrudescence of opium-gangsterism such as prevailed both in the Settlement and French Concession only a few years ago. At that time the situation in the Settlement was so serious and corruption so general that the local police department served as a sort of adjunct for the raiding of opium dens not controlled by the so-called Shanghai "opium combine." The fact that the old Shanghai opium combine amassed for its promoter a fortune of some $40,000,000 before it was finally put out of business gives some idea of the opportunities for big profits which would accrue should corrupt elements obtain control of a present-day monopoly.

The report of the League's Opium Advisory Committee, including the statement of Stuart J. Fuller, American representative, copies of which have just been received in Shanghai, indicated general approval of China's six-year suppression program. Mr. Fuller, who served as an American consular official in China for many years and is now on special service at the State Department, pointed out that the new restrictive measures enforced by the Chinese Government "are now commencing to have a noticable effect." The 1936-1937 opium crop in Yunnan has been reduced by about 50 percent and in Szechuen by about the same proportion, stated the report. The Anti-Opium Information Bureau at Geneva declared in its summary that followed Mr. Fuller's report:

"The situation in China proves the wisdom of the Chinese Government in re-legalising opium and its sincerity in its efforts to reduce the cultivation of opium. The six-year Opium Suppression Plan of General Chiang Kai-shek promises to prove effective, if the situation created by the flooding of China with clandestinely manufactured narcotic drugs does not prevent the Government enforcing its suppression plan according to the time schedule established by General Chiang Kai-shek. Credit is due to the Chinese Government for the progress achieved. There remains however much to be done before the Government can overcome certain vested interests behind the illicit traffic in China."

Of special interest in connection with the efforts of the Chinese Government to restrict the use of opium, there should be mentioned the examples of Nanking and Tsingtao where no smoking is permitted. While both cities come within the scope of the new licensing arrangement, the officials of both Nanking and Tsingtao, according to report, have refused thus far to issue any licenses. The reason for this action is not known, but in the case of Nanking is probably due to the desire of Government officials to keep the capital free from the contamination of opium consumption and the accompanying opium-gangsterism.

But while Mr. Fuller on behalf of the Opium Advisory Committee as well as the Anti-Opium Information Bureau expressed approval of the Government's suppression measures, both

voiced apprehension regarding the activities of the vested interests behind the illicit traffic in opium and other narcotics. Mr. Fuller declared, "...in the provinces of China where there is no Japanese influence, a sincere effort has been made to reduce the production of raw opium and this effort has met with surprising success." Further on Mr. Fuller declared, "Last year I said to the Committee: 'Where Japanese influence advances in the Far East, what goes with it? The Drug traffic.' This continues to be the case..." Mr. Fuller then read reports from authoritative sources showing that the production of both opium and other more dangerous narcotics in Manchuria have increased tremendously and that the wholesale drugging of the Chinese population in the cities of Manchuria and North China has reached almost indescribable proportions. For example in Mukden alone the deaths from narcotic poisoning in January of this year reached the appalling total of 171 men and women while the total for the leading cities of Manchuria for 1935 was nearly 6,000 deaths from narcotic poisoning. The finding of more than 100 bodies of narcotic victims floating in the Heiho river at Tientsin in May of this year gives some idea of the menace in that city.

While nothing has been said locally about the possibility of the Shanghai International Settlement being added to the Japanese dominated areas of North China and Manchuria, the fact remains that the Japanese controlled opium monopoly in Manchuria and the Japanese and Korean heroin factories in North China constitute the largest sources of independent narcotic supplies in the Far East. However, the editor of the *North-China Daily News* did not have the Japanese and Koreans in mind when he declared:

"This journal has no hesitation in asserting that local influences of most sinister significance would immediately develop their baleful activities if what amounts to legalized monopoly were established in the Settlement under cover of a six-year suppression plan. Already discussion of the proposed appointments to the suppression organization has evoked the mention of names which arouse the gravest apprehensions. The Council is in a most difficult position. If it refuses to co-operate in the scheme it will be open to criticism as obstructing a beneficent reform. If it unreservedly offers its co-operation it will be exposing the Settlement to the menace of a gangster traffic far exceeding anything hitherto known here in dimensions and potentiality for evil. No-one questions the Government's good faith, but the Council, as the representative body of an international community whose Governments are all pledged to relentless war on the drug traffic, cannot afford to risk its good name by allowing dubious machinery to be installed within its jurisdiction. Knowing as it does the unscrupuous impudence of certain local interests it should be able to insist that the monopoly set up to effect suppression should be put in hands which are beyond question indepedent of any local pressure, and command unhesitating confidence from respectable citizens. The Government has such men at its disposal—men who can be trusted to act fearlessly and, if need be, ruthlessly against traffickers and gangsters, however highly placed, however powerfully protected. Its local officials, admirable though they may be, should not be exposed to the danger of pressure from the local kings of the underworld, whose sinister power has all too long been condoned. Fortunately this issue now raises the question of the immunity which these "kings" have enjoyed to their own enrichment and to the wholesale exploitation of the community. The Municipal Council has to decide whether it will give the weight of its authority to extension of this wicked and illicit regime or whether it will strengthen the forces of good order and decent government by making its co-operation in the Six-year Opium Suppression Plan conditional upon the adopton of measures expressly designed to stamp out the opium traffic and with it the nauseating gangsterdom which sullies the civic reputation of Shanghai. The decision is too grave for the Council to make solely on its own responsibility. There is ample ground for suggesting that it should be made after full and frank consultation with the Consular Body on whom, with the acquiescence of the Government at Nanking responsibility for the administration of the Settlement ultimately rests."

Since the negotiations which preceded the reports on the subject in the local newspapers last week had previously been secret, it is impossible to determine how far the Settlement authorities have already committed themselves toward acceptance of the so-called "narcotic suppression program." It was not without significance that the *Shanghai Times* headed its account of the negotiations as follows:

"MUNICIPAL COUNCIL SAID
TO HAVE APPROVED OPIUM
REGISTRATION IN PRINCIPLE"

The article under this heading stated that a committee of three, including Stirling Fessenden, Secretary-General; F. W. Gerrard, Commissioner of Police, and R. T. Bryan, Jr., Municipal Advocate, had the matter under consideration and was considering a "working agreement" between the authorities of the Settlement and the Chinese Municipality of Greater Shanghai. The remainder of the report, which bore the earmarks of official inspiration, read in part as follows:

"It is learnt on the best authority that the Council is assuming the attitude that the Chinese will have to take full responsibility with regard to the licensing of addicts. The Council has also voted against the establishment of "official" opium hongs in the Settlement.

"The new opium registration office, in other words, will serve as a clearing house for information on opium addicts in the Settlement. It is proposed that the names of all those who register will be passed on to the Chinese authorities, and, if present indications are to be trusted, the Council's responsibility will end then and there.

"All opium smokers in the International Settlement will presumably be required to register at the special office or suffer the consequences. One scheme which the committee is considering is that the Municipality of Greater Shanghai should be allowed to appoint several representatives to the registry.

"The resolution which the Council has passed indicates that the Chinese authorities will be allowed to license addicts in the Settlement. It is understood that the committee of three is seriously considering a plan whereby these licenses should be issued through the Settlement registration office.

"It has been stated elsewhere that the Chinese authori-

ties would contribute to the operation of the Settlement office if sufficient funds for this were not available. This is hardly likely, according to those intimately associated with the problem, but expenses may be deferred in part by charging a registration fee.

"The registration fee would go directly to the Council, in other words, while the licence fee would be transferred to the Municipality of Greater Shanghai by the Council.

"The question as to what should be done with violators of the opium law under the arrangement is one of the most complex with which the committee has to deal. At the present time offenders are taken to the First Special District Court and sentenced there if found guilty.

"One high official interviewed here yesterday expressed the opinion that the question of the crowding of narcotic offenders into the Ward Road Goal would be fully discussed.

"It has been announced that the council would hand over all narcotic offenders to the Chinese Government for punishment at the Tsaohochin prison, but this is entirely unfounded. No decision has been reached on such details as this, and, with the exception of the Council's final approval of the registration office in principle, there is no exact indication as to what will be done."

The *China Press*, Chinese-owned paper, which published the first account (July 2) of the up-to-then secret negotiations between O. K. Yui, Acting Mayor of the Chinese Municipality and Stirling Fessenden, Secretary-General of the International Settlement, printed the following summary of the agreement which allegedly had been tentatively decided upon:

1. That the power for enforcing the narcotic suppression laws shall be delegated by the (Chinese) City Government to the Shanghai Municipal Council (Foreign Settlement).
2. That the Council shall establish a special office for carrying out the anti-drug program. While the administrative power of the office rests with the Council, the City Government shall appoint a certain number of persons to the special drug eradication organization.
3. That the Council shall issue official notices for the registration of all narcotic addicts in the International Settlement and prosecute all unregistered users of drug.
4. That the Greater Shanghai Bureau of Police shall issue licenses for addicts to the Council's special office for distribution among the registered drug users.
5. That addicts sentenced for prison terms shall be handed over to the Chinese Government prison at Tsaohochin.
6. That the City Government shall give monetary aid to the Council's special office in the event that the Council is unable to undertake the financial outlay.

The *North-China Daily News* published a further explanation of the situation on July 6 to the following effect:

"It is learned that the Council has agreed to the proposal "in principle." It is intended that the S.M.C. shall establish an office for the registration of opium users and that the names of smokers shall be transmitted to the Shanghai City Government, which will issue the actual licences and collect the licence fees. The Settlement is to be reimbursed for expenses in operating the registration office. The latter is to function as a sort of clearing-house for the licences, which will be sent to it by the City Government for distribution to the registered smokers.

"There are positively to be no opium hongs in the Settlement, it is said.

"A further provision of the scheme is to arrange for the Settlement's convicted opium smokers to serve their terms in Chinese prisons instead of, as at present, in the Ward Road Gaol.

"The special committee, when it has completed its work, will report its findings directly to the Council. It is assumed that before any decision is reached, a consultation will be made with the Consular Body.

"In Chinese territory, at present two kinds of opium smokers' licences are issued. They are really carrier's permits. One kind of licence costs $5 and entitles the holder to carry ten days' allowance—that is, ten times the prescribed daily allowance. It is thus left to the addict's will-power to limit himself for ten days to the daily maximum. He is not strictly limited, however, to one purchase of ten days' ration. He can buy that amount at various retail hongs, only he is not supposed to carry more than ten days' allowance at one time. The permit is valid for six months and is not transferable.

"The second kind of licence costs 60 cents and entitles the bearer to carry only three days' supply.

"The opium all must be purchased from hongs of the Opium Monopoly and must bear the Government revenue stamp. There are believed to be 71 retail hongs in Chapei and Nantao, and eleven wholesale stores. They are supplied chiefly from the western and southwestern provinces via Hankow. Public dens are operated.

"Under the rules set forth by the Opium Suppression Administration, the licences shall provide for progressively dwindling amounts. In practice, however, they often do not, and it is reported that the licences seldom bear more than the name and address (not always correct) of the smoker. The lines provided for his or her description are seldom filled in."

THE AMERICAN ATTITUDE ON THE OPIUM AND DOPE ISSUES

There is a final element in this matter which is of particular interest to Americans. Since the first of January of this year the American authorities have seized some 2,500 tins of prepared opium which was in process of being smuggled into the United States. Each of these tins (resembling a tin of smoking tobacco) contained about six ounces of opium, valued at $20 Chinese currency in Shanghai, but worth about $120 in American currency if smuggled into the United States. According to an official report of the anti-narcotic officials in the United States who made these seizures, each tin of opium contained the official seal of the new Chinese opium monopoly, and thus constituted a definite indication of corruption on the part of certain elements who have been entrusted by Gen. Chiang Kai-shek in administering the official sale of the drug.

Since American policy with respect to opium and other narcotics has always been based on complete and drastic suppression rather than the creation of monopolies, it is obvious that the participation of American officials connected with the International Settlement in the present negotiations is certain to have a detrimental effect on American prestige and worse, it may ultimately have unfortunate repercussions in the relations of China and the United States. While it is impossible to forecast the possible results of the

negotiations now under discussion, one outcome is certain, even under most favorable circumstances: it would result in a tremendous increase in the consumption of opium and other narcotics in the Settlement. Under corrupt administration, a possibility suggested in the reports published in the *N. C. D. N.*, it is not unlikely that conditions prevailing in Manchukuo and North China, particularly Tientsin, may be duplicated here. There are plenty of people, foreigners as well as Chinese who remember all too well the deplorable conditions which prevailed in the International Settlement and French Concession when the Shanghai Opium Monopoly dominated local politics.

Since the Shanghai foreign administered areas, French Concession as well as International Settlement, are comparatively free of opium trading and consumption, it is obvious that neither Gen. Chiang Kai-shek nor Madam Chiang, both devout Christians, would countenance the development of a condition of human debauchery here such as prevails, for instance, in the Japanese concession at Tientsin. That such conditions are likely to be repeated here is obvious because the powerful Japanese opium and heroin monopolies and trusts in Manchukuo and North China will not long remain out of this market, once the sale of opium in the foreign settlement is legalized under a licensing arrangement. Assuredly it would not be many weeks before Hongkew would be a second Tientsin concession from the standpoint of Japanese-protected and Korean-operated Opium and heroin joints.

Finally, and this is directed primarily to the American officials of the Settlement—Cornell Sydney Franklin, Chairman of the Municipal Council; Stirling Fessenden, Secretary-General; Robert T. Bryan, Municipal Advocate; W. H. Plant, member of the Council—the American policy as declared at international conferences and enforced domestically within the borders of the United States and externally in Hawaii and the Philippines has always been based on complete and drastic suppression. Should conditions develop here, as feared by a considerable section of the public and expressed by the leading British newspaper, the result upon American prestige would be disastrous. Therefore, the adoption of a policy by American officials of the Settlement, diametrically opposed to the established American policy, would be difficult of explanation. And should the worst come to the worst and the Settlement become a base for wholesale smuggling of opium and narcotics into the United States as is the case at Tientsin, the result would not only be disastrous to the now friendly relations of the two countries but would have a permanently adverse effect on the good faith of American officialdom in this part of the world.

The officials of the Settlement who are serving on the committee which is negotiating the opium deal must be aware that the blame for the resulting scandal will not be placed on the irresponsible gangsters who are likely to control the traffic, but upon the foreigners, the Americans and Britons who consented to the deal.

Movements and Appointments in Diplomatic and Official Circles

Gen. Wu Te-chen, Chairman of the Kwangtung Provincial Government, came up from Canton this week to participate in the tenth anniversary celebrations of the City Government of Greater Shanghai, beginning on July 7.

Minchuer Hutukehtu, living Buddha of Chinghai, proceeded from Nanking to Kuling this week to submit a report on his recent inspection trip in the province to Generalissimo Chiang Kai-shek. He also reported to the Generalissimo on the political and military affairs of the border province.

General Feng Chih-an, Chairman of the Hopei provincial administration, who has been in Peiping for some time, returned to Paotingfu by train this week.

Wu Ting-chang, Minister of Industry, and Chang Kia-ngau, Minister of Railways, arrived in Kuling July 5. Tai Chi-tao, President of the Examination Yuan, arrived in Kuling July 4.

Willys R. Peck, Counsellor of the American Embassy, called on Dr. Wang Chung-hui, Minister of Foreign Affairs in Nanking July 1.

Wang Ching-wei, Chairman of the Central Political Committee, who suffered a heart attack last month, has recovered his health sufficiently to be able to resume his duties.

Yui Ming, former Director of the Shanghai Office of the Waichiaopu, later serving as Counsellor of the Ministry, was July 1 appointed to his old post in the port city to succeed Chow Chueh.

Admiral Chen Shao-kwan, Minister of Navy, arrived at the Hague from Berlin July 4.

Lieutenant-Colonel Tanaka, Japanese Naval Attache in Shanghai, has been ordered to be transferred to Tsingtao.

S. Kawagoe, the Japanese Ambassador to China, called on Hsu Mo, vice-Minister of Foreign Affairs, July 5.

Artillery Major Kotaro Shimizu, attached to the General Staff, was July 1 ordered to be stationed in China.

Prominent Communication Officials Demoted Because of Corruption

Yu Ju-hsin, chief engineer of the Shanghai Telegraph Administration, Chang Chen-ho, director of the International Radio Station, Shanghai, Hsu Hsueh-yu, director of the Shanghai Telephone Administration, and Pao Ko-yung, director of the Shanghai Telegraph Administration, were each demoted one rank for corruption by the Central commission for Disciplinary and Punishment of Public Functionaries. Yen Jeng-kuang, ex-director of the Telegraph Department of the Ministry of Communication, was dismissed on the same charge and is deprived of his privilege of being appointed to civil service for one year.

Chungking Fears Flood as Waters of Yangtsze River Rise

Chungking is facing an imminent flood, a telegram from said city July 5 stated. The Yangtsze is rising rapidly.

Continuous downpours of rain have caused an alarming rise in the Hsiang River. According to reports received by the Kianghau Engineering Bureau, the water level at Chunghsiang stood at 45.88 meters July 4.

General Chu Ching-lan, Chairman of the National Famine Relief Commission, is investigating the famine situation in Honan, and will later go to Shensi and Kansu.

Japanese Officer Killed in Clash With Chinese in Fengtai

One Japanese officers was killed and another was wounded, while several non-commissioned officers and men were wounded in a violent combat between Japanese and Chinese troops near Fengtai early in the morning of July 8.

Leaders Gather at Kuling to Confer With General Chiang; Fresh Disturbances in North Feared

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **China's "Summer Capital" Starts Functioning With Presence of All Cabinet Ministers.**
2. **Conferences Summoned by Gen. Chiang at Kuling Are to Be Opened July 15.**
3. **China to Enforce Conscription System, All Men Must Undergo Military Training.**
4. **Dr. Kung Again Sees President Roosevelt, Thanks U. S. for Aiding China's Railways.**
5. **War Minister Ho Ying-ching Arrives in Szechwan to Direct Military Reorganization.**
6. **Semi-Martial Law Enforced in Peiping As Rumors of Disturbances Are Spreading.**
7. **Madame Sun Yat-sen and Eleven Others Offer to Be Detained as "Salvationists."**
8. **China's Progress Told in Radio Talk by Dr. Wang Chung-hui to American Audience.**

With the commencement of the functioning of China's "Summer Capital" at Kuling and the impending opening of the conferences summoned by General Chiang Kai-shek, all the high officials of the government and the educational leaders from various parts of the country are converging on the Kiangsi mountain resort. The various cabinet Ministers have all arrived at Kuling from Nanking and the first meeting of the Executive Yuan was held there on July 6.

Prominent among those who arrived at Kuling last week-end and early this week were Chairman Lin Sen of the National Government, Chairman Wang Ching-wei of the Central Political Council, President Sun Fo of the Legislative Yuan, President Tai Chi-tao of the Examination Yuan, Foreign Minister Dr. Wang Chung-hui, Education Minister Dr. Wang Shih-chih, Communications Minister General Yu Fei-peng, War Minister General Ho Ying-ying (who on July 5 flew to Szechwan), Railways Minister Chang Kia-ngau, Industry Minister Wu Ting-chang, Vice-Minister of the Navy Admiral Chen Chi-liang, Vice-Minister of Finance Tsou Lin; Yeh Chu-tsang, Secretary-General of the Central Party Headquarters; Wu Chih-hui, veteran Party member; General Ho Chien, Hunan Chairman; Liu Shang-ching, Anhwei Chairman; Dr. Chu Chia-hua, Chekiang Chairman; General Wu Chung-hsin, Chairman of the Mongolian and Tibetan Affairs Commission; and many others.

Indigenous educational principles which have stood the test of past ages should be further developed to meet the needs of the country, declared General Chiang Kai-shek in the course of a speech at the weekly memorial service held at Kuling July 5. After outlining definite plans for the improvement of China's education, General Chiang ordered undiscriminate acceptance of foreign educational methods without the consideration of native conditions.

Gen. Han Fu-chu, Chairman of Shantung, will shortly leave for Kuling to see Gen. Chiang Kai-shek, it was officially confirmed at Tsinan July 6.

According to a *Domei* message from Peiping, General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, who is now visiting his native city of Loling, has decided not to proceed to Kuling to attend the summer conference by Generai Chiang Kai-shek.

Preparations for the convocation between July 15 and August 14 of the series of Kuling conferences by Wang Ching-wei and General Chiang Kai-shek have been completed. Altogether three successive conferences, composed of groups of University and College professors and civic leaders and officials, will be held, each lasting one week. The first group of educationalists and civic leaders will assemble at Kuling on the 14th inst.

More than 50 educators and professors of various governmental and private universities in Peiping have been invited to participate in the series of conferences to be held at Kuling this month. Because of their impending departure for Kuling, Dr. Hu Shih, of the College of Liberal Arts of the National University of Peking, and Dr. Mei Yi-chi, Chancellor of Tsinghua University, gave a joint dinner July 3 to those invited. An exchange of views took place. A large number of professors were present, and their discussions ended very late.

A group of 24 army officers of the Fourth Route Army stationed in Kwangtung has arrived at Kuling. The group included Divisional Commanders Mu Chien-hsiung, Chen Chang and Tseng Yu-jen.

"NIPPO" REPORTS COMMUNIST LEADERS TO LECTURE IN KULING

According to *Shanghai Nippo* July 5, Communist leaders, Chu Teh and Mao Chu-tung, will lecture before hundreds of young officers their experiences of fighting. These Communist leaders will tell their audiences also the tactics of the Communist armies in the military campaigns of the past ten years. In addition to Chu and Mao, Chow En-lai, the important Communist leader, will be present in Kuling during the summer.

By giving evidence of its respect for public opinion in lending an ear to the "men of talent" who are to assemble in Kuling on July 15 for a series of round-table talks with Government leaders, the Nanking administration is seeking to improve the existing anti-Government feeling, centering on the national salvation societies. This view was expressed by the *Shenghai Mainichi* July 5 in an editorial entitled "The New Activities of the Communist Party." "This new attitude of the Nanking Government of trying to solve every problem through political maneuvers is a product of the Sian Incident" the editorial continued. "It is a most important phenomenon which we should always bear in mind in considering the political affairs of China."

WAR MINISTER HO ARRIVES IN SZECHWAN TO DIRECT MILITARY REORGANIZATION

General Ho Ying-chin, Minister of War and Chairman of the Szechuan-Hsikang Military Affairs Readjustment Committee, and General Ku Chu-tung, Director of the Chungking Provisional Headquarters of the President of the Military Affairs Commission and Vice-Chairman of the Readjustment Committee, arrived at Chungking by airplane July 5. The two officials left Kuling at 7 a.m. for Kiukiang whence they took the airplane for Chungking via Hankow. A rousing welcome was given by the ranking military commanders and civic leaders upon their arrival. In the evening, Minister Ho received General Liu Hsiang and the various members of the Readjustment Committee when preliminary views concerning the readjustment of the Szechuan-Hsikang troops were exchanged.

Gen. Ho Ying-Chin

Since the military readjustment scheme, mapped out by the Central Government, has been accepted by Szechwan and Hsikang military leaders, his present mission is to find out suitable ways to enforce the scheme, declared General Ho Ying-chin at Chungking July 5. Reiterating the principle of centralization of national defence forces the War Minister declared that it is neither disbandment of troops nor reduction of expenses. Szechwan troops will be reorganized in accordance with the national system. When it is completed the provincial authorities will be able to devote their whole attention to reconstruction. General Ho cited the beneficial results of the readjustment of the former Northeastern troops and the units formerly under General Yang Hu-cheng. He added that the present movement is also supported by General Sung Cheh-yuan in the North, General Lung Yun of Yunnan and Generals Li Tsung-jen and Pai Chung-hsi in Kwangsi. After attending the readjustment conference General Ho is expected to leave for Kweichow to pay a visit to his native town if time permits. General Chiang Kai-shek's health, which was considerably affected during the Sian crisis last December, has now completely recovered, reported Gen. Ho Ying-chin in an interview with the *Central News Agency* July 6.

Gen. Ho also confirmed current reports that Gen. Pai Chung-hsi, Deputy Commander-in-Chief of the Fifth Route Army, is shortly proceeding to see Gen. Chiang Kai-shek. The War Minister highly praised the Kwangsi and the North China authorities in their incessant work for national salvation.

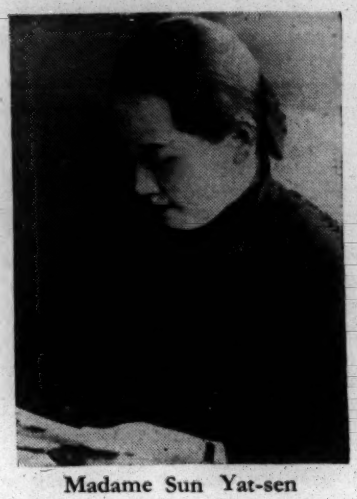
Paying high tribute to Gen. Chiang Kai-shek as the National Leader, Gen. Liu Hsiang, Chairman of Szechwan, declared in an interview with the *Central News Agency* July 1 that his acceptance of the military readjustment program signified his allegiance to the National Government. Pointing out that nationalization of all provincial troops was a great necessity in new China, Gen. Liu stated that in his last wire of acceptance to the Generalissimo, he had already placed all Szechwan and Hsikang troops under the control of the Central Government.

A big reactionary organization was discovered and raided at Chengtu July 5. From the organization the authorities seized large quantities of ammunitions and explosives, reported *China Times*. It is reported that the purpose of the organization is to

enlist the support of the troops in Szechwan to stage revolts in the province. Nine responsible persons of the organization were arrested by the authorities.

MADAME SUN AND ELEVEN OTHERS OFFER TO BE DETAINED AS "SALVATIONISTS"

Madame Sun Yat-sen, widow of the founder of the Kuomintang and "father" of the Chinese Republic, had declared a "sit-down" strike in the Kiangsu High Court in Soochow, said a report in the *Shanghai Evening Post* July 5. With eleven others, who described themselves as co-workers of the seven All-China National Salvation Association leaders now facing charges of undermining the security of the state in the tribunal, Madame Sun arrived there from Shanghai that morning. They immediately proceeded to the court where they demanded to see the president and the chief procurator of the court to present a petition urging that they be also detained with the seven National Salvation Association leaders because they are similar both in "b e l i e f and behavior." They should share the consequences with the seven for what they have done together, they declared. A delegation of three, headed by Madame Sun, was finally allowed to meet the president of the court. During the interview the president claimed that he has no rights to order their detention and that a procurators' conference must be called to deal with the request. The chief procurator finally came to meet Madame Sun, Hu Yu-tsz and Chu Ching-lai, writers. A heated veral clash took place at this moment. The procurator declared he has no right to detain them and that in his investigations, he has so far found nothing against the petitioners warranting their detention and prosecution. The weather is hot in Soochow and the petitioners had better return to Shanghai immediately, the chief procurator said. The argument continued until 12 noon when the chief procurator left the reception room. As the court is observing a summer schedule, no responsible officials were to show up in the afternoon, and the petitioners returned to Shanghai. Some 50 youths also visited the court compound with a similar request that they be arrested and prosecuted together with the "seven gentlemen," as the seven accused are known.



Madame Sun Yat-sen

NATIONAL SALVATION ASSOCIATION PROPOSES ABOLITION OF PARTY ORGANIZATIONS

Leaders of the National Salvation Association are reported to be very active in the formulation of proposals to be submitted to the People's Assembly to be convened on November 12 in Nanking, said *Shanghai Nippo* July 3. Among these proposals, it is reported that the National Salvation Association will ask for the abolition of the party organizations, so as to save money and to eliminate all obstacles for political development in the country. It is feared that this will cause the creation of two rival groups—the National Salvation Association and the C. C. group.

A second manifesto has been issued by the National Salvation Association demanding the release of the seven leaders now being tried in the Soochow court, *Shanghai Nippo* reported July 1. The manifesto demanded:

(1) The release of the seven leaders,
(2) The recognition of the National Salvation Association as a lawful organization,
(3) The release of all political prisoners,
(4) Consolidate political unity in the country,
(5) Down with the Japanese Imperialism,
(6) Lond Live the Success of the Anti-Japanese War!

The manifesto explained also that the National Salvation Association is the organization of patriotic Chinese and that to love one's country is not a crime.

CHINA TO ENFORCE CONSCRIPTION SYSTEM, ALL MEN MUST UNDERGO MILITARY TRAINING

Able-bodied male citizens in Nanking between the age of 20 and 25 are being drafted for military service as part of a nation-wide conscription program which, it is hoped, will eventually have 400,000,000 able-bodied persons under military training in this country, *Reuter* reports. While no definite figures can be obtained at the present moment, city authorities estimate that there are 30,000 men in Nanking between the ages of 20 and 25, but only 10,000 men will be included in the first draft. The Nanking city government has issued a lengthy statement explaining to the public the "necessity and advantages" of conscription and giving the full text of the conscription law. After dwelling on the disadvantages of a mercenary army, the statement emphasises that conscription was always enforced in China by ancient dynasties. With 400,000,000 able-bodied citizens having gone through full army training, the statement proceeds, China will be ready to defend her rights in the event of foreign aggression. Under the conscription law, all able-bodied persons between the age of 18 and 45 will have to undergo military service. They will be divided into four groups, according to their ages, namely, 18 to 20; 20 to 25; 25 to 40; and 40 to 45.

DR. KUNG AGAIN SEES PRESIDENT ROOSEVELT, THANKS U. S. FOR AIDING CHINA'S RAILWAYS

Dr. H. H. Kung, Vice-President of China's Executive Yuan and Minister of Finance, had another interview with President Franklin D. Roosevelt at Washington July 7, and was entertained at luncheon at the White House. Dr. Kung during the last week end visited Oblerin College, his alma mater. At Oberlin, President Wilkins of the Oberlin College and the faculty members honored Dr. Kung in a dinner in evening of July 3, toasting Dr. Kung as one of Oberlin's most prominent graduates in the world. Dr. Kung returned to New York July 5 and proceeded to Washington the following day.

The financial aid granted to the Chinese Ministry of Railways for the purchase of American locomotives and railroad equipment marks the beginning of the Import-and-Export Bank's co-operation with China in the field of industrial development, Dr. H. H. Kung told pressmen in Washington at his second interview June 30. Dr. Kung expressed his appreciation on behalf of the Chinese Government for the credit extended by the Bank. The Chinese Government, Dr. Kung said, welcomes the act as a further evidence of American co-operation. He admires the Import-and-Export Bank's far-sighted policy in assisting American exporters in maintaining and expanding foreign trade. He also appreciated the interest of the American Government in sending such a distinguished financier as Warren L. Pierson, President of the Bank, to China to gather first-hand information on Chinese economic development and trade prospects. Mr. Pierson during his China trip not only visited principal ports but also traveled extensively in the interior leaving the most favorable impression everywhere he went, Dr. Kung pointed out. At the presênt time, the Chinese industrial program needs American machinery and other capital goods, and this fact offers immediate possibilities for American manufacturers and foreign traders, he explained.

Mr. Pierson who recently made a tour of inspection of China, praised July 1 the progress in the unification of China. He reported he had received an extremely cordial reception throughout his long tour in China. "My general impression," Mr. Pierson told the *United Press*, "is that China's unification programme has progressed. Railways, which I particularly studied, showed progress. I felt that the Minister of Railways, Chang Kai-ngau, was following a very constructive programme of rail development. Because of the geographical similarity of China and the United States, their railway problems are similar to ours and they now are confronted with problems which we already have conquered. "I enjoyed my conversations with Mr. T. V. Soong on the operations of China's currency system. In Peiping I had a pleasant talk with Dr. Hu Shih and at Nanking with Dr. Franklin Ho. I also had the honour and pleasure of meeting Madame Chiang Kai-shek and Madame H. H. Kung." Mr. Pierson pointed out the development of the Canton-Peiping railway connections and cited the ease of flying by aeroplane from Hankow to Chungking compared with the old modes of travel in China.

Following a meeting with Dr. H. H. Kung, Sol Bloom, Democratic Representative from New York, said July 1 he was much impressed by reports of progress in China, particularly in transportation, communications and unification of the nation.

After two meetings, the Chinese Minister of Finance, Dr. H. H. Kung, and Senator Key Pittman of Nevada, chairman of the Senate Foreign Relations Committee, both expressed on June 30 the opinion that financial relations between China and the United States were highly satisfactory to both sides. Senator Pittman told the *United Press* that, "I believe Dr. Kung is perfectly satisfied with the silver situation. He intimated that he believed the price of silver should perhaps be higher compared with the price of gold. He indicated that he thought the price of silver rose too fast in the early stages of adjustment and I did not contradict him and did not point out that China and France would have done what we did in 1933. Anyway, China has shown marked progress recently. Her economic situation is reflected in her monetary situation and vice versa. So far as direct Sino-American monetary relations are concerned, the present pleasant situation is the result largely of the power of Congress which gave the Treasury Department the Silver Act. I have the impression that Dr. Kung seeks no new action from the United States. I have not heard of any intended new action. Conversations apparently have been generally informative and no action seems necessary at present."

Typical American friendliness and informatliy were the outstanding features of the dinner given evening of June 30 by Secretary of Treasury Henry Morgenthau at Washington's Metropolitan Club in honor of Dr. H. H. Kung. With this informal atmoshpere, the most cordial remarks on Sino-American friendship were exchanged.

Dr. Kung was entertained July 1 by the Chinese Ambassador, Dr. C. T. Wang, who invited 500 members of the Chinese community and their families to a garden party at the Twin Oaks, new

17-acre premises of the Chinese Embassy in Washington. The occasion was the first time that the entire Chinese community met for a social function, Dr. Wang's effort to afford closer contact among the people of his country was favorably commented upon and the hope was generally expressed that this kind of gathering will continue in the future. Dr. Kung also attended the joint dinner of the Baltimore and Washington Chinese Students' Association. In his speech, Dr. Kung urged the students to apply themselves diligently to their studies. "You must not deviate from what you have chosen as your life work and profession," he counselled.

Sixty Chinese organizations in New York associated under the Chinese Consolidated Benevolent Association honored Dr. H. H. Kung at a dinner at the Hotel Astor in New York July 5. Also present as the honored guests were Dr. C. T. Wang, Chinese Ambassador; James Yu, Chinese Consul-General at New York, K. C. Li, prominent New York Chinese businessman, and members of Dr. Kung's entourage. Howard G. Lee, toastmaster, introduced Dr. Kung, who gave the chief address, and the other speakers, Dr. Wang, Mr. Yu and Mr. Li. In his speech, Dr. Kung expressed his appreciation for the courtesy of the Chinese community in meeting him on his arrival as well as in giving the banquet in his honor.

KAWAGOE PAYS BRIEF VISIT TO NANKING, LEAVES FOR NORTH CHINA

S. Kawagoe, Japanese Ambassador to China, paid his first courtesy call on Hsu Mo, Vice-Minister of Foreign Affairs, July 5 since his resumption of duties at Nanking. Mr. Kawagoe returned to Shanghai July 6. He will sail for Tsingtao enroute to Peiping to spend the summer. S. Hitaka, Counsellor of Embassy, is leaving Nanking for Kuling around July 10.

Mr. Kawagoe spent the afternoon of June 29 in conferences with high Chinese and Japanese officials. At 3 o'clock, he summoned Major-Gen. Seiichi Kita, military attache, and Rear-Admiral Tadao Honda, naval attache, for a lengthy interview during which he is understood to have discussed in detail the instructions he received from Koki Hirota, Foreign Minister, before leaving Tokyo. At 4.30 o'clock, Hsu Shih-ying, Chinese Ambassador to Japan, called for a protracted private meeting. The nature of their conversation could not be learned.

His interview with Mr. Kawagoe in Shanghai on June 29 was purely of a social nature, declared Hsu Shih-ying, Ambassador to Japan, at Nanking. Explaining that his health still requires further recuperation, Mr. Hsu stated that he has not yet quite decided when to return to his post in Tokyo.

The Tokyo *Nichi Nichi* reports that the Cabinet's instructions to Ambassador Kawagoe provide:

1. Negotiations will first deal with questions believed most amenable to solution, which include reduction of the Chinese tariff and the inauguration of joint air routes. If these two problems are satisfactorily dealt with, Japan may next proceed toward a solution of the "special trade" in North China and seek some settlement providing for co-operation with the Chinese Customs system.

2. An agreement on economic issues will precede discussion of outstanding political problems. In dealing with economic problems, the promotion of mutual interests will serve as the basic principle.

3. Japan will try to realize a state of affairs in which economic co-operation among Japan, Manchukuo and China will be possible in North China. There will be no change in Japan's fundamental policy of regarding North China as a special region.

4. An attempt will be made to improve Anglo-Japanese relations in China both through co-operation in China and through further diplomatic efforts in London. The Konoye Government is thoroughly prepared to respect British interests in Central and Southern China.

Considerable pessimism is shown by the Japanese newspapers concerning future relations with China. It seems impossible, they declare, to hope for a friendlier feeling until the clash of interests in North China has been solved in a manner acceptable to both parties.

SEMI-MARTIAL LAW ENFORCED IN PEIPING AS NEW DISTURBANCES ARE BREWING

Semi-martial law had been enforced in Peiping during the last few nights as a result of rumours that plain-clothes men have smuggled themselves into the City from Tientsin and Tungchow to create disturbances, according to a *Reuter* report June 30. Four plain-clothes men have been arrested, and are stated to have confessed that they were in the pay of certain disgruntled politicians.

Reuters reports that uneasiness in Chinese political circles is mounting over the activities of plainclothes agents, many of whom have been arrested last week end, including two found loitering in the vicinity of the offices of the Hopei and Chahar Political Council in the evening of July 1. Two of those taken into custody are alleged to have confessed that they had been employed to create disturbances during the elections to the National Assembly, which will meet in Nanking on November 12. Precautions which may be described as semi-martial law have been enforced in Peiping since June 28. Persons found in the streets late at night are liable to be searched at the point of the bayonet, while units of the 29th Army have been brought into the suburbs from Nanyuan and other points. Another plain clothes man was arrested morning of July 3 near the back entrance of the Hopei-Chahar Political Council on Tung Tang Tze Hutung, according to a *Reuter* report.

Tientsin, Peiping and Paoting authorities are taking special precautionary measures to ensure the maintenance of peace and order in Hopei province, according to *Central News*.

ISOGAI SAID TO REPLACE TASHIRO AS NORTH CHINA GARRISON COMMANDER

Major-Gen. Rensuke Isogai, Director of the Military Affairs Bureau of the Tokyo War Office, will be named to succeed Lt.-Gen. K. Tashiro as Commander-in-Chief of the Japanese Garrison in North China, reported *Central News* June 30. The change is believed to be in connection with the Japanese army reshuffle which will take place in August. General Tsahiro has been taken seriously ill, suffering from appendicitis, reported *Ta Kung Pao*, June 30.

Yang Shao-keng, Director of the Political Department of the Hopei-Chahar Political Council, who recently went to Lolin at the telegraphic summons of General Sung Cheh-yuan, Chairman of the Council, said June 30 that General Sung, whom he found in excellent sperits, expected to return to Peiping about the middle of July.

Dwelling on the tension in North China, the *Ta Wan Pao*, in a brief editorial on July 1, states:—

"The tension in North China is now an undeniable fact, since General Sung Cheh-yuan has indefinitely delayed his return to the city of Peiping. The 'special' condition now existing in North China has not only caused great anxiety to the Chinese people but has also given much trouble to General Sung himself. Under the present circumstance, the enemy may at any time start trouble. "For his own sake as well as for the welfare of the whole nation, General Sung should adopt immediate action to put an end to the present 'special' conditions in North China. He should furthermore effect closer co-operation with the Central Government. Wake up, General Sung. The Chinese people will not tolerate any further hesitation from General Sung to clear up the situation in the North."

CHINA'S WITHDRAWAL FROM WORLD EDUCATION CONFAB SUGGESTED BY HU

"Since 'Macnhukuo' will attend the forthcoming world education conference in Tokyo the most logical thing for China to do is to withdraw from the confab," declared Dr. Hu Shih, head of the Chinese delegation to the conference, when interviewed by press representatives at Peiping July 1. It would be regrettable, Dr. Hu said, if the "Manchukuo" request should be accepted after China has made her attitude known to Japan. "When Dr. Paul Monroe left for Japan recently," he said, "I informed him of China's readiness to withdraw from the conference should "Manchukuo" be represented. It is unthinkable that Japan should ignore China's request and world opinion to permit the puppet regime to send representatives to the conference."

Upwards of four hundred laborers had been secretly recruited by agents of "certain quarters" in Amoy and Changchow in southern Fukien to work outside Shanhaikwan, according to a report in *Central Daily News* July 4. To avoid the suspicion of Chinese authorities, the report stated, the workers were first sent to Hongkong and from there transferred to Dairen en route to "Manchukuo".

A street cleaner named Kuo Yung-an was instantly killed on Shouyi Street in Taiyuan July 1 by a car driven by a certain Ogawa, a Japanese resident there, according to belated reports received at Nanking.

Three "traitors" including a Taoist priest by the name of Li I-chai had been rounded up by the Pengpu garrison authorities, *Central News* reported July 4. The "traitors" were alleged to have been the willing instrument of "certain quarters" in creating local disturbances. Li was the most dangerous of the three, and was said to command a following of over 1,000 men.

PERMIT WITHDRAWN FROM SINO-JAPANESE GOLD MINE FARM IN SHANTUNG

Closing a delicate issue involving Japanese interests, the Ministry of Industries has retracted the permit issued to the Linling Gold Mine Corporation at Tsaoyuan in eastern Shantung, *Central News* reported June 30. The Ministry, it was learned, acted on the judgment handed down by the Tsingtao District Court, invalidating the company on the ground that it registered under the name of a person already deceased.

A formal contract for the shipment of another 100,000 tons of Changlu salt to Japan was signed between salt merchants and the Hsin Chung Company on July 1, according to a *Central News* report. The provisions of the new contract, it was learned, are generally similar to those of the first. The salt was sold at the price of $2.362 per ton. In addition to the purchase price, the Company also undertakes by the terms of the contract to grant a subsidy of $20,000 to the salt merchants.

Graduates of the Naval Academy in Tsingtao this summer were each presented with a sword from Generalissimo Chiang Kai-shek, on which were inscribed the words "Our humilitation

does not end until our lost territories are restored," at the commencement exercises July 1.

UNREST REPORTED AMONG "IRREGULARS" IN NORTHERN CHAHAR

While Chinese volunteers are active at Shangtu and Huateh, dissension has broken out among the high command of the "irregulars" forces in North Chahar, according to an arrival from the province in Nanking. Li Shou-hsin, "Manchukuo" commander, the informant stated, has openly expressed dissatisfaction over his appointment as Deputy Commander under Prince Teh. As a result, it was stated, the "irregulars" are now split into two camps, those under Li Shou-hsin and the Mongol troops under Prince Teh. Besides, the informant related, quite a number of "Manchukuo" officers in North Chahar and Jehol are indignant over the slaughtering by the Japanese of large numbers of Chinese in Manchuria, among the victims being family members of the "Manchukuo" officers.

Min-Chu-Erh Hutuketu, "Living Buddha" of Chinghai, left Sian for Nanking July 4 on board a special train of the Lung-Hai Railway chartered by the Mongolian and Tibetan Affairs Commission. Interviewed, the Chinghai dignitary said that, after a short stay in the Capital, he will proceed to Kuling to report to General Chiang Kai-shek, President of the Military Affairs Commission and the Executive Yuan, on his work in Chinghai.

CHINA'S PROGRESS TOLD IN RADIO TALK BY WANG CHUNG-HUI TO AMERICAN AUDIENCE

Momentous changes now taking place in China were related by Dr. Wang Chung-hui, Minister of Foreign Affairs, in a radio broadcast speech at the Central Broadcasting Station in Nanking, in the morning of June 30 for the benefit of the public in America. The speech, delivered at the invitation of the Columbia Broadcasting Station of America, was relayed by the Chinese Government Radio Administration at Chenju, near Shanghai, to America, and picked up by the Columbia broadcast system on a coast-to-coast hook-up. Dr. Wang touched upon a wide range of reforms which are being carried out in China, emphasizing the efforts of the Chinese Government in imporving the lot of the farmers, developing transport and communication systems, and financial reforms. "What perhaps counts more than the achievements in material reconstruction of the country," Dr. Wang said, "is a new spirit that has taken root among the people. Great change has come about in their conception of the government—in their attitude toward life in general. There has been a conspicuous growth of national consciousness

(*Continued on page 218*)

Outstanding Events in the Month of May

1.—General Chiang Kai-shek sanctioned the resignation of General Yang Hu-cheng from his post as Pacification Commissioner of Shensi and gave him permission to travel abroad.
1.—The new Finnish Minister to China presented his credentials to the National Government.
3.—Wang Ching-wei explained in speech at Nanking that China's attitude was to resist Japanese aggressions, but not anti-Japanese.
3.—Dr. C. T. Wang, Chinese Ambassador to U. S. A. sailed from Shanghai for his post.
3.—Dr. H. H. Kung, China's Special Ambassador to the British Coronation, arrived at London.
4.—Reorganization of the Kansu Provincial Government with General Ho Yao-tsu as new Acting Chairman was ordered by the Executive Yuan at its meeting today.
4.—General Uyeda, Commander of the Japanese Kwantung Army, summoned important military conference at Chengteh, capital of Jehol, allegedly in connection with preparations for renewed invasion of Suiyuan.
4.—The "May 4th Student Movement" observed throughout the country.
4.—Two northeast leaders, Generals Yu Hsueh-chung and Ho Chu-kuo, arrived at Nanking to interview Central Government leaders.
4.—Dr. W. S. New, well-known Chinese surgeon, died at Shanghai.
5.—The Wuchang District Court instituted prosecution proceedings against Liu Lu-ying, charged with implication in the murder of the late Hupeh Governor, Yang Yung-tai.
6.—General Uyeda of the Japanese Kwantung Army flew from Jehol to Chapser to see Prince Teh and confer with him on military affairs.
6.—Liu Shang-ching, new Anhwei Chairman, assumed his duties.
7.—General Uyeda summoned military conference at Chapser to discuss plans for invasion of Suiyuan.
7.—General Chiang Kai-shek arrived at Shanghai from Hangchow for treatment of his tooth ailment.
7.—Dr. C. T. Wang called on the Japanese Foreign and War Ministers while passing through Tokyo en route to U.S.A.
8.—Japanese increased the garrison force stationed in Jehol border by one full brigade.
8.—Tientsin police bureau continued to discover floating corpses in Haiho.
8.—The anniversary of China's National Humilitation Day commemorated throughout the country.
9.—General Uyeda flew back to Changchun; Japanese troops and the Mongolian Irregulars concentrated at Dolonor preparatory for invasion of Suiyuan.
9.—Four more floating corpses discovered in Haiho, Tientsin.
10.—First anniversary of the death of Hu Han-min, veteran Party leader and statesman, commomerated in Nanking and other cities.
11.—Executive Yuan appointed General Hsueh Yueh as acting Chairman of Kweichow Provincial Government.
11.—General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, arrived at his native place, Loling, on Shantung-Hopei border, for a visit.
12.—China's national budget estimates for the fiscal year of 1937-38 approved by the Central Political Council.
12.—General Fu Tso-yi, Suiyuan Chairman, inspected defenses at Pailingmiao.
14.—General Ho Yao-tsu, new Kansu Chairman, arrived at Lanchow by air.
14.—Several Chinese customs officers in Tientsin were assaulted and injured by Japanese Ronin smugglers.
15.—Trial of Liu Lu-ying opened at the Wuchang District Court.
17.—General Chiang Kai-shek arrived at Nanking by air and received Generals Ho Ying-ching, Liu Shih and other military leaders to hear reports on plans for the readjustment of military affairs in Kiangsu, Honan and Anhwei.
17.—Chen Chueh-cheng, Managing-Director of the Peiping-Liaoning Railway, impeached by Control Commissioner Chow Li-sheng for disobeying orders in the prevention of smuggling.
18.—Executive Yuan ordered reorganization of Kwangtung Provincial Government with Chairman Wu Te-chen, acting concurrently as Civil Affairs Commissioner.
19.—China-U.S.A. radiophone inaugurated today.
19.—Japanese Military Attache, Major-General Kita, called on Szechuan Chairman, Liu Hsiang.
20.—Several hundreds of students of the Northeastern University petitioned the National Government to release General Chang Hsueh-liang.
21.—Japanese Consular Conference in North China opened today at Tientsin.
22.—Generals Sung Cheh-yuan and Han Fu-chu met at Shangho and conferred on North China situation.
22.—Japanese military and naval officers held important conference at Shanghai.
23.—General Feng Yu-hsiang, Vice-Chairman of the Military Affairs Commission, visited Taian, Shantung.
24.—General Chiang Kai-shek arrived at Kiukiang from Nankiang.
25.—Executive Yuan approved of the issuance of the Famine Relief Bonds for Szechwan.
25.—Japanese Foreign Office filed protest with Chinese Government against the socalled Swatow Incident. Swatow City Government also lodged counter-protest with the Japanese Consulate in Canton.
25.—Two suspects involved in the murder of Tang Yu-jen, late Vice-Minister of Foreign Affairs, were convicted and sentenced to death.
26.—The Commander of the Japanese Naval Forces in Formosa arrived at Swatow in connection with the so-called Swatow incident.
27.—Dr. H. H. Kung summoned Chinese diplomatic envoys in Europe for conference at Geneva. Dr. Kung arrived there the previous day from London after having attended the British Coronation.
27.—General Chiang Kai-shek arrived at Kuling.
27.—General Yang Hu-sheng, retired Shensi Pacification Commissioner, arrived at Shanghai from Sian by air, preparatory to going abroad.
28.—Both Chinese and Japanese authorities started official investigation of the Swatow incident.
29.—General Chiang Kai-shek announced cancellation of his sick leave, but pending his return to Nanking Dr. Wang Chung-hui was to continue to act as President of the Executive Yuan.
29.—General Liu Hsiang of Szechwan declared that he would obey the Government's orders in military reorganization in the province.
30.—Dr. H. H. Kung and Admiral Chen Shao-kwan received in audience by the King of Italy.
31.—General Tashiro, Commander of the Japanese Garrison Forces in North China, summoned conference of his staff officers at Tientsin.

Market for American Tobacco in China Decreasing: Consumption of Chinese Tobacco on Upgrade

BY FRANCIS W. GAPP

THE market for American flue-cured tobacco in China is showing a definite tendancy to fade away, while the production of Chinese tobacco has shown remarkable increases and, in fact, has almost doubled since 1932.

A recent increase in taxes on cigarettes, it is believed, will have some effect on this tendancy, but it does not explain the situation entirely, for the increased tax on cigarettes, although put partially into effect on April 5, will not become completely operative until December of this year. The increased tax on the most popular brands of cigarettes has simply been delayed in order to give the producers a chance to adjust their production to the new tax classes.

To compensate for the increased internal tax, customs duties on cigarettes have been raised on an average of 43 per cent. This increase is sufficient to give domestic producers a price advantage over imported brands.

The internal tax is applied to cigarette production, and is collected at the factories, where an inspector places a stamp on each case of cigarettes leaving the factory. The new schedule is as follows:

Value per case of 50,000 cigarettes	*tax per case Shanghai* $
$200 or lower	$100
201 to 400	200
401 to 800	400
Above 800	800

A substantial part of the cigarettes now on the Shanghai market sell around the $300 level, consequently they will be taxed at $200 per case. Under the old schedule they were taxed at $80 per case, and as soon as the new tax was announced the producers complained at the sudden jump. For that reason the tax was raised to only $100 for the time being, which means that in December the tax on this quality of cigarette will be doubled. It also means that many cigarette manufacturers will try to lower their popular priced cigarettes before December so that they will fit into the lowest value class of cigarettes.

In a statement by the United States Department of Agriculture, released at Washington, D.C., the opinion is expressed that the new tax will further decrease the Chinese consumpion of flue-cured American leaf tobacco, which has been losing ground in China for some time. A five-year average of imports of American tobacco into China (1928-29 to 1932-33) reached 98,800,000 pounds. In 1933-34 the imports were slightly over 77 million pounds. The following year they were only 21,900,000 pounds, and were slightly lower than that figure last year. Although it is estimated that China will import 40,000,000 pounds of American leaf in 1936-37, it is generally believed that the new tax rates will, in future years, "reduce drastically the consumpion of American flue-cured leaf" in China.

With the increasing tax, it will be difficult for Chinese cigarette manufacturers to use American leaf tobacco in their products. Therefore, except in years of short Chinese production, the use of American tobacco will probably be limited to small quantities for the manufacture of medium and high grade cigarettes.

At the same time, the 1937 production of Chinese tobacco (mostly in the provinces of Anhwei, Honan and Shantung) is likely to be more than 200,000,000 pounds. The remarkable increase in this crop is evident when it is realized that in 1927 the Chinese crop yielded only 20,000,000 pounds, whereas by 1936 it had been increased to 170,000,000 pounds. At the same time the prices for Chinese tobacco last year were the highest on record.

The Chinese Government has helped the tobacco producers and plans to give considerably more aid to them. The major aid so far has been in giving American seeds to the farmers. In the future the Government proposes definite aid to the tobacco farmers and closer Government supervision of the tobacco production.

The *Shun Pao* reported on June 23: "As approved by the Executive Yuan, the Ministry of Finance has instructed the Internal Revenue Administration to form a Preparatory Office for the enforcement of Leaf Tobacco Control. The Ministry announced on June 22 nine articles which are to govern this office, which is to begin functioning on July 1. The following program is to be carried out:

1. Registration of tobacco farmers.
2. Prescribing or limiting the growing areas.
3. Establishment of experimental stations in leaf growing.
4. Improvement of the production of leaf tobacco by training and directing farmers.
5. Reorganization of curing plants and installation of re-drying equipment.
6. The construction of leaf markets and relation of the same.
7. The construction and renting of official warehouses.
8. Assisting banks and other financing agencies to extend loan facilities to farmers.
9. The handling of other matters concerning production and distribution of leaf tobacco and other control functions to prevent cigarette tax evasion."

So far, the markets for the tobacco of the Chinese farmers have been markets operated by individual buyers for the larger cigarette companies. The producers either accept or refuse the price offered. If they refuse the price offered by a certain buyer, they can take their produce to another buyer who may offer a better price. If the Government carries out its idea for the organization of tobacco markets, the result may be something similar to the famous American tobacco auction floors where buyers bid against each other for the farmers' crops.

Incidentally, 60 per cent of the cigarettes consumed in China are manufactured at Shanghai. Most of the remainder are produced in the cities of Hankow, Tientsin and Tsingtao. Cigarette consumption is concentrated, in about the same proportion, to those cities, with the exception that cigarettes find a market in Canton while none are produced there.

Of the cigarettes manufactured in China by foreign owned companies (61 per cent of the total), the British American Tobacco Company does by far the largest business. They manufacture 60 per cent of all the cigarettes made in the country. Twenty per cent of the total production is credited to the two largest Chinese-owned companies, Nanyang and Wha Chin, while the remaining 20 per cent is manufactured by 84 Chinese firms and 7 foreign firms.

Prices of Imported Cigarets Rise Steadily

Prices of imported cigarets have been rising steadily in recent week because of the increase by Nanking in the duty on imported cigarets the ruling having gone into effect June 11. Prices, however, did not begin to rise for about two weeks, until local stocks began to be exhausted.

The cost of imported American cigarets such as Camels, Luckies and Chesterfields in local cigaret and exchange shops range from 40 cents to 45 cents a package. A carton costs $4.14 wholesale, or $4.50 retail, whereas formerly one could be purchased retail for $3.20 in most shops.

This price, Shanghai tobacco men state, is probably the peak, and the cost is not expected to go any higher. Cigarets formerly costing 35 cents a package now cost 45 cents, and many smokers, unwilling to pay 10 cents more for 20 cigarets, are beginning to switch to less costly brands.

The tobacco companies have been increasing the price to meet the new import duty, but the trade has not been officially informed as yet as to just what price it may expect.

Low-grade imported cigarets are about 20 per cent up in retail prices. With tax, these cheap cigarets now cost the importer $400 a case, whereas formerly they cost $160. The higher grade cigarets formerly cost the importer $1500 with tax, but now cost $2250 with tax.

Most British brands are unaffected by this rise in price, as they are mostly manufactured locally.

Educational Facilities Planned for Formosans in Shanghai

Educational facilities for the children of Japanese subjects of Formosan extraction residing in Shanghai may become available early next year, the local Japanese press stated July 6. The Formosan population of Shanghai, the papers said, now totals 680, whereof about 130 persons are members of a recently-organized Shanghai Formosan Residents' Guild. This organization proposes to establish a refuge for unemployed, an employment bureau and create other facilities for the welfare of Formosan residents.

Serious Mohammedan Uprising Reported from Sinkiang

A Mohammedan uprising, of very serious proportions, in Sinkiang was reported July 5 to the *Tokyo Asahi*, by its correspondent in Tientsin.

The border province, the correspondent said, is now completely isolated from the rest of China. Publication of news regarding the rebellion, the report added, has been banned by the Chinese authorities.

Mrs. Amelia Earhart Putnam Missing—No News Since July 4

The attempted round-the-world flight of Mrs. Amelia Earhart Putnam has ended in tragedy. While on the trip across the Pacific, her plane, the so-called "Flying Laboratory," met bad weather somewhere in the region of Howland Island, and all communication with her and her mechanic, Fred Noonan, has been severed since July 4, when a radio dispatch from her stated that she had only sufficient fuel for half an hour's flight and could not see land. U. S. Government warships and planes were dispatched to the area but to no avail. There were numerous reports in the succeeding days of faint radio messages having been received from the ill-fated plane, but all proved false. The plane was not equipped for landing on water, although the manufacturers claim that the empty gasoline tanks would keep the plane afloat. There is a bare possibility that the aviators may have landed on some uninhabited coral reef.

The Coast Guard cutter *Itasca* cruised in the region of Howland Island, July 4, but failed to find any trace of the U.S.$80,000 Lockheed Electra monoplane, "The Flying Laboratory," in which Amelia Earhart Putnam and her companion, Captain Fred Noonan, were attempting to fly around the world.

In an interview with the *Oakland Tribune*, George Putnam, husband of the missing airwoman, revealed that his wife intended her Pacific crossing to be her last spectacular trans-ocean flight. They had, he said, planned to settle down to a normal life. If this trip had been successful, Mr. Putnam continued, his wife would have crossed all the oceans. It had been her life-dream to fly completely round the world, and she could not rest until she had done so.

Experimental Trans-Atlantic Flights Successful —Trips in Both Directions

Fresh aviation history was made July 6 when experimental flights across the Atlantic in opposite directions, expected to be the prelude to a regular commercial air service, ended successfully. The two machines which participated in the tests, the 18-ton flying-boat *Caledonia* belonging to Imperial Airways and a giant Sikorsky machine belonging to Pan-American Airways, arrived safely at their respective destinations within a few minutes of each other.

The American machine, landed at Foynes Harbor, Ireland, at 5.50 p.m., Shanghai time—12 hours and 40 minutes after leaving Botwood, Newfoundland—while the British plane reached Botwood at 6.06 p.m., Shanghai time, or 15 hours 11 minutes after leaving Foynes Harbor.

Douglas Plane for C. N. A. C. Arrives Damaged—May Be Sent Back to the U.S.

One of the two new airplanes (a Douglas D.C-2) recently received by the China National Aviation Corporation was found to have been damaged en route. The plane will probably be shipped back to the United States factory for repairs, according to an official of the C.N. A.C.

Soviet Orders for American Planes Show Great Increase

A special dispatch from New York in the *Tokyo Asahi* June 29 stated that the Soviet Government orders for American airplanes are rapidly increasing. Aircraft orders during January to April last year amounted to U.S.$268,000, while those during the corresponding period of this year amount to $900,000.

Soviet Airmen Establish New Height Record

Two Soviet airmen July 3 claimed that they reached a height of 15,100 feet in a glider for a new world's record. Both airmen landed safely by parachute near Moscow.

A new world altitude record of 53,937 feet, was attained June 30 at Farnborough, England, by a Royal Air Force plane piloted by Flight-Lieutenant M. J. Adam.

Japanese Flier's Body Found near Dairen

Eighty-three days after his machine plunged into the Dalny Bay, the body of a Japanese Army flier was found floating in the sea off Liushutun July 3.

Brazil Seeks Japanese Bids for Airplane Factory

Japanese aircraft manufacturers have been invited by the Brazilian Government to submit bids for the construction of a large airplane factory at Lagoa Santa, near Bello Horizonte, capital of the State of Minas Geraes.

C.N.A.C. Planes Resume Stop-Overs at Ming Airdrome

Repair work on the Ming Tomb Airdrome in Nanking, which was started several months ago, having been completed, the Eurasia and C.N.A.C. planes have resumed their stop-overs at said airfield.

The present airdrome in Lanchow, the Kansu provincial capital, is to be enlarged, according to a decision reached at a meeting of the Committee for the Promotion of Reconstruction Work in Kansu July 5.

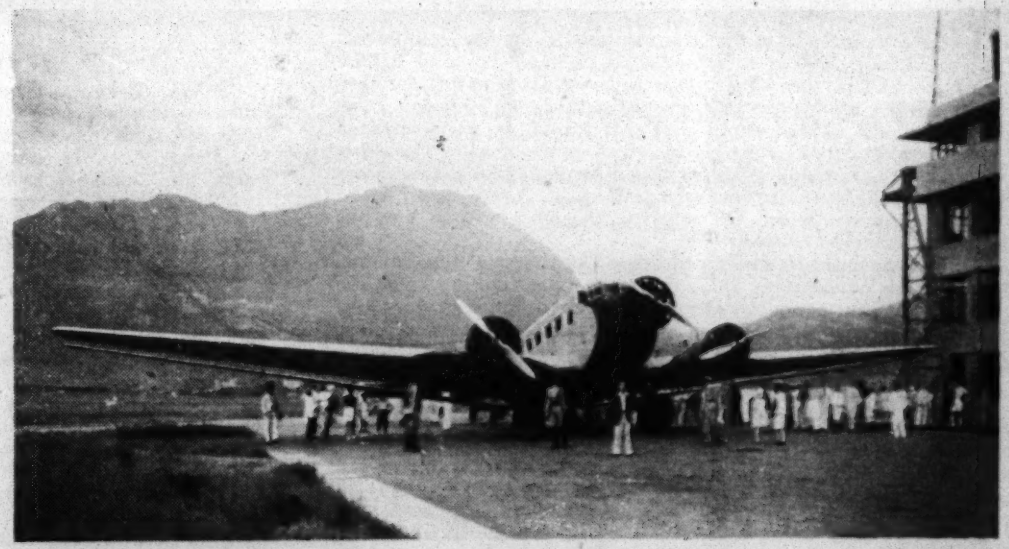
High Evangelical Church Official Arrested in Germany

Dr. Niemoeller, the leader of the Confessional Movement in the German Evangelical Church and outstanding figure among Opposition pastors, was arrested and conveyed to Moabit prison July 1. In the wave of arrests of Protestant clergymen in the past few weeks Dr. Niemoeller, who is a former submarine commander, remained immune notwithstanding his outspoken sermons in a fashionable Berlin suburban church. He was, however, repeatedly summoned to police headquarters for long interrogations.

Dr. Niemoeller, in an official announcement of his arrest, is accused of "making inciting speeches and disparaging remarks about leading personalities of the State, of spreading untrue assertions about Government measures in order to disquiet the population and of asking the people to oppose State laws and regulations."

Prominent German Economist Finds Private Initiative Has Disappeared under Nazi Regime

How the Nazis have destroyed capitalism in Germany is lucidly described in an article appearing in the July issue of *Foreign Affairs*. The author, whose identity has had to be concealed under a pseudonym due to his intimate connection with German affairs, states categorically that "To all intents and purposes Germany has long since ceased to be a capitalist country."



The giant 3-motored plane of the Eurasia Aviation Corporation at the Kai Tak Airdrome, Hongkong, following completion of the initial flight from Peiping, inaugurating the new Peiping-Hongkong-Canton mail and passenger service. The planes are of German Junkers make and carry 15 passengers. Cruising speed is 145 miles an hour.

Palestine to Be Divided into Three Classes of Territory

The division of Palestine into three classes of territory—Arab and Jewish states and British mandated areas—is recommended in the report of the Royal Commission published this week.

League of Nations Federation Acopts China Proposals

T. K. Tseng, Vice-Minister of Railways, who is heading the Chinese Delegation to the 21st annual conference of the International Federation of League of Nations Societies, reports by cable that the conference at Prague (Czechoslovakia) has closed after adopting the Chinese proposals in favor of strengthening the Covenant of the League of Nations, interdicting the release of motion-pictures likely to injure amicable relations between nations, and inclusion of materials in school textbooks censuring international aggression.

Attempt on Life of Portuguese Dictator

An attempt was made at Lisbon, July 4 on the life of Dr. Antonio de Oliveira Salazar, Premier of Portugal and virtual Dictator. The attempt was unsuccessful.

Enormous Cost of Singapore Base

It was stated in the House of Commons last week that the total estimated cost of the military air base at Singapore was £4,500,000.

Soviets Withdraw Troops from Disputed Islands in Amur River—Manchukuo Will Station Officials

A "SATISFACTORY" solution of the Amur incident was reached July 2 at a conference between the Japanese Ambassador in Moscow, M. Shigemitsu, and Maxim Litvinoff, the Soviet Foreign Commissar. The Soviet Government, according to Ambassador Shigemitsu, agreed to the immediate withdrawal of its troops from the islets of Bolshoi and Sennuha, upon an assurance that Manchukuo would not station troops or boats in the vicinity.

The issuance of orders for the withdrawal of Soviet troops from Sennuha and Bolshoi islands on the Amur and of military cutters in their vicinity was announced on the night of July 3 by the Moscow Government through the official *Tass News Agency*, and withdrawal was begun immediately.

News of the settlement of the frontier dispute was received with satisfaction in Japanese Government, business and financial circles. Tokyo officials, however, pointed out that further negotiations will be necessary to determine the ownership of the islands, over which Soviet Russia claims sovereignty by virtue of old treaty rights.

The Japanese Army will continue to maintain a watchful attitude towards the developments on the Amur, a spokesman of the Tokyo War Office told the press July 3.

The Soviet-Japanese accord was received with undisguised satisfaction by diplomatic quarters in London, who saw in it the elimination of a potential source of danger to world peace, a *Domei* message from the British capital July 3 stated. Qualified British observers, however, professed to see in the entire Soviet handling of the Amur River situation studied effort by Moscow to prevent the aggravation of the situation. They pointed to the "exceptionally guarded" tone of the Soviet press and of the *Tass News Agency* which, they said, customarily "pour bitter recriminations" aganist Japan, Manchukuo, Germany and other states whose interests conflict with those of the U.S.S.R. Some attributed this change in the Soviet attitude to the unrest reportedly existing in the country as a sequel to the recent large-scale "purge."

Manchukuo to Station Officials on Disputed Islands

Manchukuo Bureau of Navigation officials will be stationed on Sennuha and Bolshoi Islands, it was announced in Hsinking July 3. Shih Li-pen, Manchukuo Foreign Affairs Commissioner in Harbin, notified the Soviet authorities of this decision.

The two islets in question lie in midchannel 15 klms. above Chikeh. They were occupied by Soviet border guards on June 22. A Soviet gunboat was sunk and another one damaged in an engagement with Japanese troops in the vicinity of Sennuha on June 30.

Two Russians Dead, Three Wounded in Amur Clash

Soviet losses in the June 30 clash on the Amur River were put by *Tass*, official Soviet News Agency, at two dead and three wounded.

The Preliminaries to the Settlement

With Manchukuo's northern border in the grip of an intense tension following the battle between Soviet gunboats and Japanese troops, high officials of the Army and the Gaimusho met June 30 in Tokyo July 1 to discuss means of preventing further aggravation of the situation. Following consultation with the Army, the Gaimusho late at night instructed Ambassador Shigemitsu to file a strong protest with the Soviet Government against the allegedly illegal invasion of Manchukuo territorial waters by armed Russian vessels.

Immediate withdrawal of Soviet troops from the border, in order to relieve the acute tension gripping the frontier area, was asked by the Manchukuo Government in two demarches filed with Stepan N. Kuznetsoff, acting Consul-General in Harbin, on June 28 and 29. "The frequent outrages," one of the notes asserted, "have given the Manchukuo Government and people an impression of deliberate efforts to aggravate the Soviet-Manchukuo relations".

Invoking the right of self-defence, the Manchukuo Government July 1 warned Soviet vessels to steer clear of the southern banks of the Amur River under pain of being fired upon on sight. The zone under interdiction includes all channels close to the Manchurian shore in the vicinity of Sennuha and Bolshoi Islands, scene of the latest border fracas, and Shasukoukou Island. These drastic measures will remain in effect until the Hsinking authorities "consider the situation to have improved."

The Kwantung Army July 2 warned the Soviet military authorities that it would be constrained to take "drastic action in self-defence" against Russian gunboats, which would deviate from the main channel on the Amur River and enter Manchukuo's territorial waters.

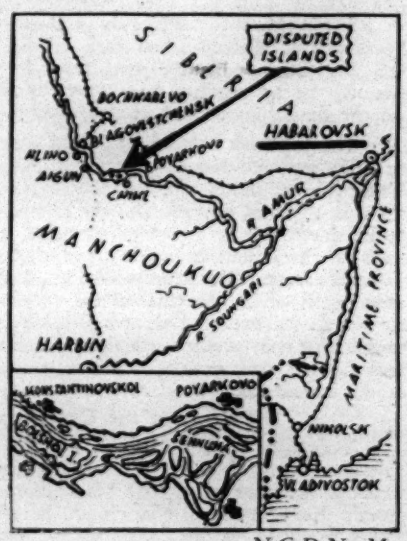
Reflecting the unusual importance attached to the tension on the Amur River by high Japanese government circles, Marshal Prince Kotohito Kanin, chief of the Army General Staff, submitted a report on the situation to Emperor Hirohito. July 2. Gen. Gen Sugiyama, Minister of War, was subsequently received in audience by the monarch.

Five Soviet gunboats July 1 staged a demonstration in the vicinity of Sennuha, where a Russian warship was sunk by Japanese shells last week, the Kwantung Army reported.

Tokyo newspapers reported July 1 that high officials of the Ministries of War, Navy and Foreign Affairs, as well as of the Army and the General Staff, remained closeted in conferences throughout the night.

Localization of the Amur dispute was urged by Joseph E. Davies, American Ambassador to Russia, in an interview with Ambassador Mamoru Shigemitsu in Moscow July 1.

The Hsinking correspondent of the *Tokyo Asahi* in reviewing the situation on the Amur, said that the Soviet authorities blocked the Pojarkovo channel last year, and failed to reply to Manchukuo's repeated protests on the matter. Failing to obtain a satisfactory response, a Manchukuo gunboat flotilla reopened the channel on May 19, making its way upstream. This action, the correspondent said, "apparently served as a signal for the mobilization of Soviet gunboat flotillas on the Amur and for the concentration of about four divisions of troops between Khabarovsk and Blagoveschensk. Finally, he asserted, the Soviet border forces occupied Bolshoi and Sennuha on June 19. Citing official figures, the correspondent said the Manchukuo border was "illegally crossed" by Soviet soldiers on more than 400 occasions since 1935. In that year, he said, there were 136 cases of alleged violation of Manchukuo's frontier line, of which 88 occurred on the eastern border, 22 on the northern, eight on the western, and 18 along the Manchukuo-Outer Mongolian boundary line. There were 203 alleged violations of the border in 1936, while an additional 86 were recorded between January and June of this year.



—*N.C.D.N. Map*

Reactionary Body Wanted to Break Relations with Moscow

Immediate suspension of diplomatic relations with the Soviet Union was demanded in a petition submitted to the Government July 2 by the ultra-reactionary Japan Production Party—affiliated with the notorious "Black Dragon Society," which is headed by Ryohei Uchida, a disciple of Mitsuru Toyama, who for more than 50 years has been regarded as the leading figure of Japan's super-patriotic movement.

Moscow's attitude in the current imbroglio on the Amur was described by the *Shanghai Nippo* and the *Shanghai Mainichi* as "a sure sign" of "internal unrest in the Soviet Union."

Reports received in Tokyo July 1, said that the Soviet river flotilla concentrated in the vicinity of the two islands included "about 15" gunboats, ranging in displacement between 100 and 500 tons, and "a few" 1,000-ton warships, each armed with 15-centimeter guns. The Amur River Fleet, it was reported, consisted of seven 1,000-ton ships and 40 to 50 gunboats with displacement ranging between 100 and 500 tons.

A speedy redemarcation of the strife-torn Soviet-Manchukuo border, to prevent a recurrence of frontier disputes, was urged in a press interview July 3 by Premier Konoye.

Japanese Major-General Sees Russia Under Reign of Terror

While received with seeming calm by the general populace, the recent mass executions in the U.S.S.R. have struck fear into the hearts of the Russian nation, Major-Gen. Homma, aide to Prince Chichibu at the British Coronation, said on his arrival in Moji July 3. "Even members of the Communist Party appear

to be terror-stricken by the spying tactics of the Stalin regime," he said.

A strict ban on the transmission of news regarding the current Army purge is now in effect in Soviet Russia, according to travellers who arrived in Harbin this week from Siberia.

Chinese Comment on the Amur Incident

That Japan should be responsible for the commencement of trouble in connection with the Amur Incident was advocated by leading Chinese dailies in Shanghai.

The *Ta Wan Pao* said any neutral observer will admit that the Soviet Union, which is now busily engaged in her Socialist reconstruction work and efforts of collective peace, is most reluctant to start any war with foreign countries. "We are most certain that the Japanese War Office should be responsible for the creation of the Amur dispute," the *Ta Wan Pao* said.

The *Shun Pao* said the so-called "illegal trespass," utilized by Japan to attack Soviet Russia with regard to this dispute, was, in fact, committed by Japan herself, so far as her large scale aggression upon China is concerned.

In a review of international events, dealing with the Amur conflict, Moscow *Izvestia* commented July 4: "Since the end of May, the Japano-Manchurian side has been provoking conflicts on the Amur, sending their gunboats to inland Soviet waters and ships to the Soviet bank of the River, and finally made an attempt to land armed detachments on one of the Soviet islands There is no doubt that these islands belong to the U S.S.R. There are documents, treaties and geographical maps to this effect which cannot be ignored.

Japanese Contend Islands Belong to Them by Virtue of Treaty

Soviet claims to the Islands of Bolshoi and Sennuha constitute "evidence of Moscow's bad faith in the matter," a spokesman for the War Office said in Tokyo July 5. The ownership of the islands, he added, had been "clearly established both in fact and on the basis of treaties" in favor of Manchukuo.

The Japanese contention is that according to the Aigun treaty of 1858 and the Peking treaty of 1860, the border line between Tsing (China) and Russia is to lie in the River Amur and unless there is a special provision to the contrary the exact demarcation is to be drawn at the center of the main stream of the river on the basis of the common notion in international law regarding international rivers. The main stream in question, the Japanese contend runs north of the Kanchatzu and Chinamuho islands, as the very fact of all international shipping traffic having been carried on up to this time proves. It is on these bases that the Japanese contend that the two islands are Manchukuo territory, lying as they do south of the international waterway.

The Story of the Conflict via Tsitsihar

A detailed report received by the Kawamura contingent in Tsitsihar on the sinking of one of the three Soviet gunboats which attacked Kanchantzu on the Manchukuo side of the River Amur reveals that at about 3 o'clock on the afternoon of June 30 three Soviet gunboats invaded Manchukuo territory south of the island of Kanchantzu and suddenly subjected Japan-Manchukuo forces on the shore to intense gunfire. The Japanese and Manchurians returned the fire and in a few minutes one of the Soviet vessels received a number of telling shells and went down. Of a crew of 50-60 only five were picked up, three of whom, moreover, were wounded. Another vessel received shells in the engine and steering sections of the ship and was put out of commission. The third barely escaped being sunk under the terrific gunfire from the Manchurian battery.

A Hsinking dispatch in the *Tokyo Asahi* July 1 said three Soviet gunboats came into the western waterway of Kanchatzu and unlawfully fired on Japanese soldiers who happened to be swimming in the water on the Manchukuo coast.

Seizure of Islands Ascribed to Machinations of Marshal Blucher

The *Tokyo Nichi Nichi* June 29 printed a message from Tsitsihar, saying it had been virtually confirmed that the unlawful occupation of islands on the River Amur by Soviet border guards, which has caused a feeling of high tension on the Soviet-Manchukuo border, is a plot on the part of Marshal Blucher, Commander-in-Chief of the Far Eastern Forces of the Soviet Army, to protect his own person.

Unconfirmed German dispatches from Moscow June 30 reported the departure of Marshal Vassilii Bluecher, Commander-in-Chief of the Soviet Far Eastern Army, for Khabarovsk. His departure, the reports asserted, was caused by the growing tension on the Amur River.

Blucher Allegedly Mobilizes Amur River Fleet

The Berlin *Angriff* printed a Moscow dispatch July 1 reporting that instead of withdrawing his troops from the occupied area in Manchukuo territory in the Amur River and the Soviet gunboats massed on the channel to the north of the islands in accordance with the agreement reached between Ambassador Shigemitsu and Foreign Commissar Litvinov on June 29, Marshal Blucher has arbitrarily ordered the mobilization of the Amur River fleet.

"Hochi" Surmises Incident Arose Out of Loss of Prestige

The *Tokyo Hochi* July 1 commented: "Probably the action of the Soviet warships was due to the fact that the Moscow Government has lost its prestige in the eyes of the Russian fleet and the authorities of the Far Eastern Army took the matter into their own hands for lack of unity within the ranks. Thus the incident must be ascribed entirely to the faithless attitude of the Moscow Government.

When Gorky Asked Sun Yat-sen to Write for His Publication

A *Tass* message from Moscow recalls that in the autumn of 1912, Maxim Gorky took upon himself the editing of the *Journal Contemporary* in Moscow. Among other material, he printed in this Journal a "Chronicle of Foreign Life" in connection with which he addressed a letter to Dr. Sun Yat-sen,and in which he asked Dr. Sun Yat-sen, to write an article on the subject of what attitude the Chinese people generally and individually take towards the aggressive strivings of European capital—what attitude they take towards the actions of the Russian capitalists and the Russiau administration? Gorky said it was necessray that the Russians become acquainted with the regeneration of China from honest Chinese, and not through European journalists, serving the interests of capitalism.

Legislative Yuan Member Urges Sino-Soviet Alliance as Means of Resisting Japanese Aggression

Chang Simen, a member of the Legislative Yuan, speaking at the Vocational College of the Shanghai Chamber of Commerce July 3 said: "At this time of national crisis, we must have an accurate recognition of the Soviet Union. We must not be influenced by the malicious propaganda of the capitalist. We must carry out the principle of our late leader, Dr. Sun Yat-sen, namely an alliance with Soviet Russia which, in fact, is the most effective step to be taken to resist Japanese aggression."

Soviets Protest Alleged Landing of Japanese on Evacuated Island

Summoning Haruhiko Nishi, counsellor of the Japanese Embassy in Moscow Benedict I. Kozlovsky, director of the Far Eastern section of the Soviet Foreign Office, at midnight protested against the alleged landing of Japanese forces on Bolshoi Island on the Amur. The island was evacuated by Soviet forces over the week-end as a sequel to the clash between Japanese and Manchukuo forces and Soviet gunboats.

If Moscow's allegations regarding the presence of Japanese troops on Bolshoi Island are true, the soldiers must have been landed on the islet to observe the progress of the evacuation of Soviet border guards, a spokesman of the Army said in Tokyo July 6. The Soviet protest, filed with Ambassador Mamoru Shigemitsu is, moreover, groundless, as Bolshoi belongs to Manchukuo, the spokesman asserted.

Hope for a turn for the better in Soviet-Japanse relations, with the settlement of the Amur River incident, was expressed in Tokyo July 5 by a spokesman of the Foreign Office who said that the tension over the situation in the River region was over with the withdrawal of the Soviet forces. The spokesman stated that the incident had been "quite unexpected" and the Japanese Government was mystified at the Soviets' motives

Two Soviet Troops Killed by Japanese-Manchukuo Troops in Lake Khanka Clash

Two Soviet troopers were killed by Japanese and Manchukuo troops repulsing an alleged violation of "Manchukuo" territory in the vicinity of Chienshan, 50 kilometers south of Mishan, on the banks of Lake Khanka July 5, according to a Kwantung Army communique. Japanese losses were put by the communique at one wounded soldier. Soviet troops, the Kwantung Army headquarters charged, made two raids in Manchurian soil and fired upon an outpost manned by a joint force of Japanese and Manchukuo soldiers. The alleged invasion was repeated at 8 o'clock at night, when a force of about 150 Soviet soldiers "with two or three" field guns bombarded the Chienshan outpost, the communique added. The Kwantung Army announcement, however, claimed that the "invaders" had been repulsed "with heavy losses."

Karl Radek Said Freed, But Must Write Editorials

Karl Radek is reported to have been released from prison and banished to a provincial town where he must write for the Soviet press—which is suffering from an acute shortage of capable journalists owing to the recent mass arrests of newspapermen. Radek, according to the paper, is however not allowed to sign his articles with his own name and his release has only provisional character although it is expected that he will be definitely amnestied in October.

Soviet Oil Agencies Sold to American Gulf Oil Co.

The Soviet Russian mineral oils exports organization (Ssojusneftexport) has sold its organization for the sale of mineral oils in the Scandinavian countries, the so-called Naphtasyndical Aktiebolaget, to the American Gulf Oil Company.

More "Trotskyites" Executed in Siberia

Thirty-seven "Trotskyist pro-Japanese spies, wreckers and

(*Continued on page 215*)

Chinese Culinary Art—the Best in the World

BY T. S. YOUNG

NO matter how partial we are for the Western civilization, we can not think of aping the European or American method in cooking our meals. We may love to drink brandy and whisky, and eat ice-cream and chocolate candies; but we can never find any relish in consuming beef-steak and pork chop. To us, foreign dishes are raw, plain and invariable in taste. Their appearance and flavor can not make our mouths water nor whet our appetites. Beef steak represents nothing but a mess of bloody stuff; fried chicken and roast duck have almost the same taste; and a foreign menu gives no change in the items of food day in and day out. It strikes us that foreign culinary art must be either too primitive or too scientific to admit the concoction of dishes which can be rightly called delicious in accordance with our taste. We, sometimes, can not help wondering how the Europeans and Americans can manage to live on this simple fare without losing their appetites altogether.

The many Chinese-owned foreign style restaurants are but Chinese restaurants under a different name. Read their bills of fare, and you will probably be at your wit's end to interpret the meaning of those translated names from ox tail soup to apple pie; but when you eat the dishes, you will be surprised at the predominance of Chinese taste and flavor. Sometimes, a menu of supposed foreign dishes also includes such not unfamiliar names as shark-fin soup and pidgeon-egg soup. We do not at all find fault with this intrusion, but good-naturedly accept shark-fin and pidgeon-egg as foreign delicacies for no better reason than that they are served in the foreign style. Truth to tell, should these restaurants prepare the dishes in strict accordance with foreign recipes, they would never be able to do business with our people, for we simply can not make ourselves love foreign taste and flavor, which prove vastly different from ours. Thus when we are invited by our foreign friends to dine with them, we deem it a rule of wisdom to fill our stomach first, lest we should sustain the pangs of hunger should we find nothing palatable on the table.

Chinese Culinary Result of Centuries of Experience

We look down upon the French or American cuisine, and take a great pride in our own culinary art, which we boldly assert as the best in the world. We laugh at the trouble taken by foreign chefs in writing down the recipes and consulting them whenever a big dinner is to be prepared. Our cooks do not do such things. Even in the preparation of a 30-course banquet, they do not refer to the books of recipes for directions. Nor do they keep a watch to observe the time needed for cooking every dish. Nor do they weigh and measures different ingredients to be added to any dish for seasoning. They do the cooking in accordance with the dictates of their experience. Our culinary art, as a matter of fact, is an accumulation of centuries of experience. We learn it neither from school, nor from books, but through years of practice. It has been deemed as one of the accomplishments which must be acquired by our girls. In the bygone days, young girls devoted a large part of their time to the acquisition of this art under the tutorship of their mothers; but modern girls, who find love-making and dancing more interesting than cooking, can no longer cook their own meals.

Our culinary art finds its best expression in our big banquets. In a 30-course dinner, from the first course to the last, no two dishes are alike in flavor, taste or color. Pork, chicken, duck and fish are served in different styles. They may be either steamed, or boiled, or fried, or broiled, or barbecued; but each has a different taste and flavor from the others. Our menu seems inexhaustible, and our cooks can make almost everything into delicious dishes. Pig's lung, duck's tongues, chicken's blood, frog's legs, and shrimp's brain are our common articles of diet, while in South China, snake meat and cat meat are favorite dishes in the winter season. Every part of a pig from its head to its tail, including its intestines, can be turned into tasty dishes, and even its tendons are relished by our epicureans. It is said that our skillful cook can prepare a 30-course dinner by means of eggs only. Even such a small thing as shrimp can give us many materials in the form of its brain, its meat and its eggs for the concoction of many dishes.

The menus of our big restaurants give us a very interesting study. The names of different dishes listed thereon are sometimes too poetic or too enigmatic to be understood by laymen. Chicken is not bluntly called chicken but referred to either as "phoenix" or as "mother." Egg is given the name of "daughter." Snake has the nickname of "dragon." Frog is known as "cherry." And cat goes by the name of "tiger." Thus a dish of chicken and eggs bears such an interesting name as "The union of mother and daughters," a mixture of snake meat and cat meat is advertised as "The fighting between a dragon and a tiger," and a dish containing a whole chicken and a whole duck is ironically called "Happy and prosperous mandarin birds." We have also such queer names for our dishes as "Dragon's fleas," "Sea watermelon seeds," "A fairy strewing flowers," "The blessing of a whole family," "Stepping on the snow in quest of plum flowers," and many others. From time to time, new and attractive names are coined and added to the old list, and so when we eat at a restaurant, we sometimes have to ask a waiter to explain the names of many dishes as listed on the menu. Only by so doing can we tell what we are to eat.

We are not familiar with such technical terms as vitamin and starch, and therefore pay no attention to the food value of our diet. Our principle of eating is to fill our stomach to the bursting of our belts. Our rich people eat more meat but less rice, while our poor ones eat more rice but less meat: They fill their stomachs in a different way but for the same purpose. To us, rice is an indispensable part of our diet which can give us strength and nourishment. When we partake of a 30-course dinner, we would not leave the table without taking a bit of rice. We can forego all the meats and live as a vegetarian, but can hardly get along without rice. A ricksha puller's daily meals consist principally of rice and salted vegetables. In North China, our people eat bread instead of rice, and many of them subsist totally on bread and garlic without any meat. We never turn our thought to the question of food value of our diet, and are satisfied with anything which can fill our stomach irrespective of whether our diet is composed of starch food or vitamin food.

We love to eat, and we eat much more than any other people. The quality and quantity of the big banquet given by our foreign friends is nothing in comparson with those of our 30-course dinner. Many of us can hardly satisfy our hunger by merely going through a full-course foreign dinner. We rice-eaters seem to carry a much bigger stomach than our foreign friends, and therefore have difficulty subsisting on the very simple fare as provided in foreign countries. When I was in the United States, for the first two months I always sustained the pangs of hunger, in spite of the fact that I consumed extra orders of bread at every meal. It is only natural that a meal consisting of a small piece of roast beef or beef steak, two pieces of bread and a glass of milk can not fill a stomach which is accustomed to three bowls of rice at every meal. Fortunately, my stomach was somewhat contracted after two months of this meagre fare, and after a year, I could also live on a sandwich and milk, and led a life which would have appeared intolerable to many of our people.

Tastes Vary According to Province

Chinese dishes, it must be noted, do not have the same taste and flavor everywhere in China. The Szechuenese like the pungent taste, the Northerners eat plenty of garlic, and the people in Soochow and Wusih add sugar to every dish. What is called delicious by the people of one place may be totally unpalatable to the people of other places; and what is accepted as a delicacy by the Southerners may be rejected as inedible by the Northerners. Here in Shanghai, we have restaurants of different styles to meet the tastes of the people coming from various places. Thus we have the Canton-style restaurants, Peking-style restaurants, Fukien-style restaurants, Szechuen-style restaurants, etc. We, however, do not patronize exclusively the restaurants which prepare the dishes of our own taste. We go to the Canton-style restaurants to partake of their famous shark-fin dishes. When we want to eat barbecued duck, we visit Peking-style restaurants. Occasionally we also eat at Szechuen-style restaurants for a change, although we do not like the pungent taste of their food.

Our foreign friends have frequently expressed their suspicion over the cleanliness and sanitation of our dishes. It must be admitted that in comparson with a foreign chef who is clad in white robe and white hat, our cook really presents an appearance which can suggest anything but cleanliness, and that in comparing with a foreign kitchen which has mosaic tile floor and walls, our kitchen, of course, does not commend itself from the standpoint of sanitation. While we may spare no pain and expenses in decorating our bed-rooms and sitting-rooms, we generally can not interest ourselves in anything about our kitchen. We have been taught to accept every dish as being perfectly clean and sanitary, so long as we do not see where and how it is cooked. Besides, we always ask ourselves why should we bother about the cleanliness and sanitation of our dishes, when our forefathers could also live a long life without any knowledge of these new ideas?

Japanese Bluejackets Hold Maneuvers in Hongkew District—Prepare for Emergency

Rehearsing the procedure they would follow in time of an emergency, the bluejackets of the Japanese Special Naval Landing Party July 2 engaged in extensive maneuvers in the Hongkew district, under the supervision of Rear-Admiral Denshichi Okohchi.

British Exports Credits Guarantee Department May Grant $400,000,000 Loans

BY THE REVIEW'S SOUTH CHINA CORRESPONDENT

CONFIRMING my predictions made some time ago through this journal that British interests are going to have the lion's share among the Powers' participation in the industrial development and railway building in Kwangtung, the important announcement is now being made in a Hongkong Chinese newspaper, which is usually well informed, that the British Export Credits Guarantee Department will increase its credit facilities for China to £24,000,000, which is equivalent to $400,000,000. Of the latter amount the same journal asserts that a large portion has been set aside for industrial development and aids to other British enterprises in Kwangtung and South China.

The important British decision to assist China's industries and railway building is undoubtedly encouraged by the great stride which Nanking has made in putting its own house in the proper order since the subjugation of Kwangtung and Kwangsi in July 1936; but the most recent factor which has acted as another stimulus is the stabilisation of the Kwangtung currency (now on the same basis as the national currency of Nanking and Shanghai). This latter change was effected on June 21 by T. V. Soong (Chairman of the National Economic Council, and on the Board of Directors of the Bank of China and the Bank of Canton Ltd.) and at this writing Mr. Soong is negotiating with the Kwangsi officials, including the Commander-in-chief, General Li Tsung-jen, in Canton. Every indication points to the early stabilisation of the Kwangsi currency as well.

The same newspaper which predicts the increase of British credit funds in China to $400,000,000 says that in the not distant future William Kirkpatrick, special representative in China of the British Export Credits Department, will make a second visit to Canton when details of the British participation in Kwangtung's industrial enterprises will be discussed. It will be recalled that some time in March William Kirkpatrick was in Hongkong and Canton and in the latter city he had ample opportunity of meeting the Cantonese high officials. What discussions Mr. Kirkpatrick had with the Canton officials had not been disclosed, but there can be little doubt that the British Credit Department has gathered valuable information through Mr. Kirkpatrick regarding the railway projects in South China. From various quarters it has been gathered that British materials and technical assistance will make possible the early completion of the Canton-Meihsien Railway in which Great Britain takes much interest because, when completed, this line will be linked with the Sino-British joint control Kowloon-Canton Railway at the Shektan Station, which is about ninety miles from the Kowloon Station on the British side of the line. As Frank H. Nixon, General Manager of the British Export Credits Department, said some time ago: "The big Chinese demand for plant machinery is being satisfied to a great extent by foreign countries and Britain would want a share of it."

China in Sound Financial Condition

Apart from the unification of the South and North and the economic progress made in provinces south of the Yangtsze since the change of the Kwangtung government last year, China's resumption of payment of a number of her foreign loans, on both their interest and capital, the last of which being the settlement of the $5,000,000 Pacific Development Bank loan by Dr. H. H. Kung with the New York bankers, is another good reason why foreign countries are having more confidence in China. The success of China's currency reform accomplished in November 1935 is another factor. Furthermore the unfavorable trade balance has been reduced.

In the South ever since the Nanking Government took over control, Kwangtung's troops have been reduced to the normal size as desired by the Central Government. Some of the superfluous disbanded troops have been sent to Kweichow and other provinces. Money thus saved will be devoted to reconstruction and railway building. A sure sign that the financial condition of Canton has taken a definite turn for the better was the Canton Government's decision to abolish all forms of gambling within the Kwangtung boundary, which means that the Government will make a sacrifice of an annual revenue of $20,000,000 from gambling alone. In line with General Chiang Kai-shek's New Life Movement numerous oppressive and irregular duties have been abolished. Drug suppression is being pushed with redoubled effort and only yesterday Canton received an edict from General Chiang Kai-shek ordering that all licensed opium houses must be abolished before July 1 in Canton City. Nearly 1,000 opium addicts have been cured in free clinics opened by Nanking Officials since they took over the Government in 1936. Of all the new policies which the Nanking Government has introduced in Kwangtung since July 1936 it can be said without hesitation that the abolition of gambling and opium trading and gradual extermination of smoking have produced the best and most lasting moral encouragement for the Southerners to lead a cleaner life. It is pleasing to note also that despite the deficit suffered through the abolition of numerous oppressive duties, the Kwangtung government is able to proceed at top speed in its various reconstruction works including the extension of the Canton-Hankow Railway from Canton to Whampoa. This railway extension is expected to be ready for the public some time next month and by that time it will be decided by the Government whether the Canton-Hankow Railway will be linked with the Kowloon-Canton Railway.

The Kwangsi Problem

But while the Nanking representatives in Canton have done much to enhance Canton's importance as an economic centre in the South the Kwangsi problem remains unsettled. It will be recalled that while General Chiang Kai-shek was in Canton in September 1936 he succeeded in bringing the Kwangsi militarists to the fold of the Nanking Government; the same militarists who promoted the Kwangtung-Kwangsi revolt against Nanking in June last remain in control of the various departments of Kwangsi. There were the usual reassurances to Nanking that Kwangsi remains loyal to the Central Government but all the time the Kwangsi militarists have declined to give up their control of salt and other collections of revenue, which in other provinces, including Kwangtung, are collected by Nanking's representatives. Such collections are known to be national duties. So until Kwangsi gives up the control of this revenue and until that province reduces its large standing army and militia to the size desired by Nanking it cannot be said that it is under direct Nanking control. In the hope that Kwangsi will be brought back to the fold of Nanking, T. V. Soong is now exerting his powers of persuasion in his conferences in Canton with General Li Tsung-jen in an endeavor to convince the Kwangsi C.-in-C. that if he ever wants Kwangsi's currency to be placed on the national standard and if he wants Nanking's monthly military subsidy to Kwangsi to be increased from $400,000 to $500,000 Kwangsi must hand over the entire Customs, wine, tobacco and stamp duty collection to representatives of Nanking. Salt is another item which Nanking must have under its direct control. If Kwangsi yields to all these demands the Nanking Government will agree to render what assistance it can give to issue $20,000,000 in bonds for Kwangsi to strengthen its silver backing, when it will make possible the conversion of Kwangsi's $60,000,000 paper currency onto the Shanghai or national currency basis. To this end Kwangsi's Finance Commissioner, Huang Chung-oi, made an interesting statement to Canton newspaper correspondents when he frankly admitted that Kwangsi's notes have a silver backing of only thirty-five per cent, whereas the Central Government's required security for note issue is sixty per cent in silver.

In Canton, since the conversion to national currency was announced commodity prices have dropped considerably. With rice, pea-nut oil (for cooking), and coal selling at cheaper rates, the poor people have been much relieved.

June 30.

China Pushes Conscription Program—Ten Thousand to Be Included in First Draft

Able-bodied male citizens in Nanking between the age of 20 and 25 are being drafted for military service as part of a nationwide conscription program which, it is hoped, will eventually have 40,000,000 ablebodied persons under military training in this country, a *Reuter* message from the capital June 30 stated.

The Nanking city authorities estimate that there are 30,000 men in Nanking between the ages of 20 and 25, but only 10,000 men will be included in the first draft. The city government has issued a lengthy statement explaining to the public the "necessity and advantages" of conscription and giving the full text of the conscription law.

When 40,000,000 able-bodied citizens have gone through full army training, the statement says China will be ready to defend her rights in the event of foreign aggression. Under the conscription law, all able-bodied persons between the age of 18 and 45 will have to undergo military service. They will be divided into four groups, according to their ages, namely, 19 to 20; 20 to 25; 25 to 40; and 40 to 45.

While Europe Prepares for War, Pious Tibet Searches for Child Ruler

BY SIR CHARLES BELL

Former British Political Officer for Tibet, Bhutan and Sikkim

(New York Times Magazine May 23, 1937)

WHILE America and Europe are rebuilding their fighting forces and developing their trade, Tibet, the Hermit Kingdom of Asia, is searching for a little child. In December, 1933, the last Dalai Lama died. He must have been reborn of some fortunate mother, but Tibet is a large country and it is difficult to discover the young boy. Though many are praying for the discovery, and not a few are searching, the Tibetan Government has not yet decided on its choice. But any day this may happen.

Is there any country in the world that has such an extraordinary method of choosing its ruler as is followed in Tibet? We are accustomed to kings succeeding "by divine right" and to Presidents chosen "by the will of the people." But old Asia is the cradle of the world religions, and here in the heart of Asia it is religion that governs the choice of each Dalai Lama, the Sovereign of Tibet. He does not succeed as a king succeeds, for a Dalai Lama lives apart from all women. He is not chosen; no votes are cast. Rather, he manifests himself, and it is for his people to recognize him.

Now, how does this happen? Well, Tibetans, like Hindus, believe in the rebirth of human beings and animals. When a Dalai Lama passes out of this life he goes, Tibetans will tell you, to "the Honorable Field." A year or so afterward his spirit enters the body of a boy about to be born. That boy is the new Dalai Lama, or rather the same Dalai returned to earth again. He need not have returned for he has obtained Buddha-hood. He is no longer on the Wheel of Life and is thus freed from the miseries of worldly existence. But he waives his privilege and comes back to help a suffering world on the upward path.

Some months ago it was reported in the newspapers that the new reincarnation had been discovered. To the southeast of Lhasa, the holy city, five days' journey distant, lies a lake of great sanctity—a prophetic lake. In it are seen visions which portray events to come. It is known as "The Victorious Wheel of Religion." Among prophetic lakes—for in this mystical land there are others—it is unique, for in it reposes the soul of the Dalai Lama. The highest lamas, that is, priests, can keep their souls outside their bodies, and none can do harm to such a one unless he can first capture and destroy that soul. Reposing in the depths of this distant lake the soul of the vice-regent of Buddha is particularly safe.

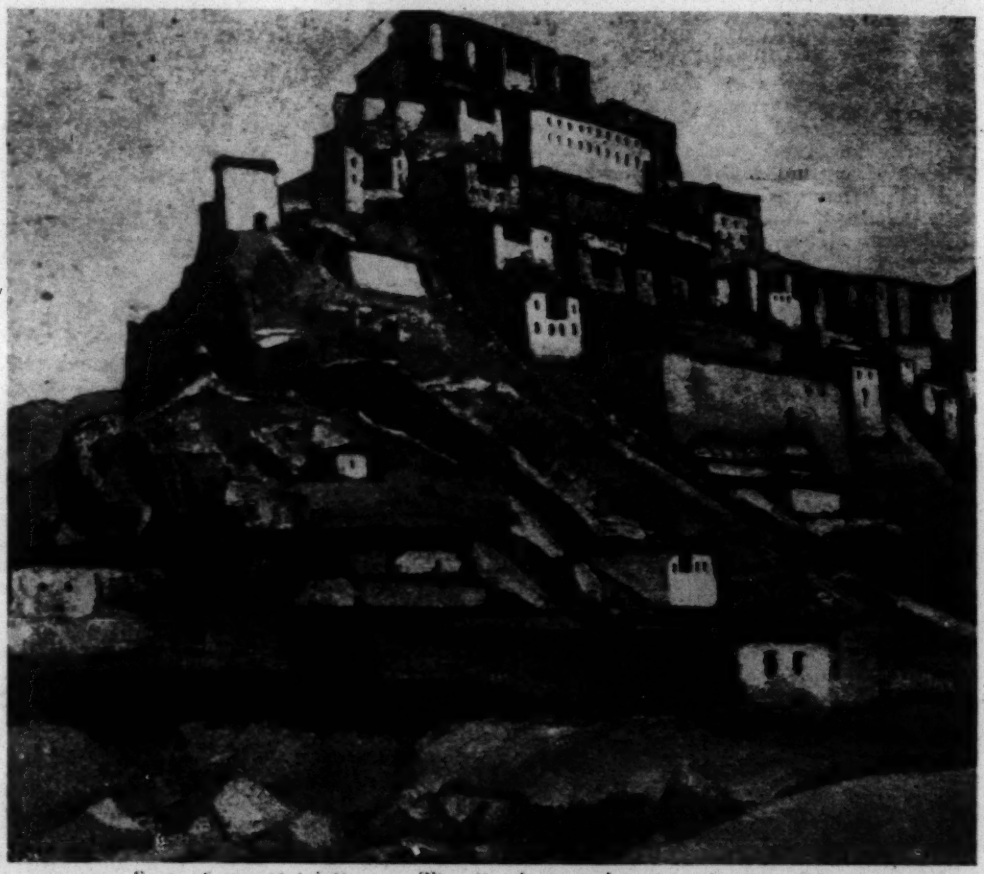
So when the time comes to discover the boy into whose body the Dalai Lama's spirit has entered, the lake must be consulted. That has already been done by the Regent of Tibet, himself a high lama, who has seen there a vision of the young Dalai. Sometimes when the wind beats down on the lake a cloud forms above the water, and below the cloud a prophetic vision is revealed. It is said that a young boy has been found who answers to the vision. He hails from the holy province of Am-do, the birthplace of the Reformer of Tibetan Buddhism.

But the question is not yet finally settled. There may be others who tally with the vision. He who is the true embodiment will prove this by recognizing the articles that he used habitually in his former existence—his rosary, his bell, his drinking cup, or a servant, a favorite riding mule, and so on. He is only 2 or 3 years old, yet he must satisfy the august investigators. Is he not superhuman? And there are none in the world who believe in any religion more simply and devotedly than the Tibetans believe in theirs. They know that it is not for them to criticize. Meanwhile, they pray for the speedy reincarnation of their God-King.

Two years ago I visited the great monastery whose name is Sam-ye, which signifies "Beyond the Imagination." It lies forty miles to the southeast of the holy city, by the sand dunes of the Brahmaputra, three-quarters of a mile broad and flowing in a swift current 11,000 feet above the level of the sea.

Founded 1,200 years ago, it is of all the large monasteries the oldest and the most famous. The main temple stands four-square in a central position. A paved court-yard, worn with the feet of countless monks, leads to it, and three pagoda-shaped roofs surmount it. High up are emblems representing the thunderbolts of the Rain God; and around the top of the wall runs the dark red band that indicates a sacred building. Silent-footed monks glide to and fro, the outer world is hushed; everywhere is the passionless calm of Buddhism.

There are prophets in this monastery to whom many resort for the unfolding of future events. Chief among them is one, inspired by a deity who has in the past helped in the discovery of young Dalai Lamas. This chief prophet was a great admirer of the late Dalai Lama and knew, as many Tibetans do, of the close friendship that prevailed between the Dalai Lama and myself.



Seat of the Dalai Power—The Potala or palace temple at Lhasa.

He led my party into the temple. It was a vast hall, supported by powerful pillars, and dimly lighted. Buddhist images everywhere, saints and gods and kings. We passed up by the long, low seats where the monks assemble in prayer and went up the steps and past a railing to the high altar. This was covered with the copper bowls of holy water, and the lamps of silver and gold in which butter is burned for the souls of the departed, masses for the dead. Beyond the altar, and raised on a still higher platform, sat the great image of Buddha, gazing over the hall, in the world but not of the world, eternally serene. Everywhere peace.

The chief prophet and I and a Tibetan friend of mine were talking by the high altar about the Dalai, his actions and the reasons underlying them. He was telling me that the Dalai Lama and I thought alike on many subjects. While my Tibetan friend prostrated himself before the great image, the chief prophet fetched holy water and poured some into my hands. Then taking me by the hand, he led me behind the high altar. We mounted a short ladder to the small platform between it and the Buddha rising straight above us. Here, in the Holy of Holies, we stood alone together, almost touching the knees of the image. The chief prophet joined the palms of his hands and

prayed for the quick return of his beloved Head. Then he turned to me. "Please also pray," he said, "according to your religious custom."

So for the good of Tibet we prayed, the Buddhist and the Christian, each in our own religion. And while we did so, the priests of the temple—who were accompanying us—stood below with their eyes on the ground, silent, reverentially still. Then taking me again by the hand, the chief priest led me down the ladder, and round the back of the image to the other side of the temple. For you see, you should follow the way of the sun; you should not return on your tracks. A notice was put up in the temple asking all to pray for the speedy return of the Dalai Lama. Tibetans believe unhesitatingly in the efficacy of prayer.

When the boy is finally chosen, now perhaps 3 or 4 years old, he is brought to Lhasa, and says good-bye to his father and mother. Henceforth he will meet them only as occasional visitors. Priests will take charge of him. Women do not enter into the scheme of his young life; his mother's place is taken by the Master of the Bed Chamber. He and the Chief Butler, both intelligent priests of high social rank, attend to his every want. While he is still young, tutors are appointed and he has to study the intricacies of Tibetan Buddhism. He works hard at his religious exercises, but of worldly matters he can know but little. The teachers are priests and mundane affairs are outside their sphere.

There are grave dangers in the boy's path, especially as the time draws near for him to assume the full power, not only the spiritual but the temporal power also. His servants must at all times guard against poison, though you will be told that a Dalai Lama need never die from poison, unless he wishes to do so. And he must visit that holy lake, where he will see a vision showing the future events of his life and the time of his death. That, indeed, is easy. But he must also visit Pal-den Lha-mo who is the goddess of the lake and guardian of the Tibetan Government. The lad must visit her temple there alone, and speak to her face to face. On his way back to Lhasa he is given a holy pill, "to renew his vitality and make his countenance shine."

The four Dalai Lamas preceding the last all died before attaining maturity or soon afterward. None held temporal sway. Tibetans say they angered the goddess, being too young to know how to speak properly to her. Others refer to the pill, and talk of poison. In fact, strong powers were ranged against the boy—the Regent, who wishes to keep the power in his own hands, and the Chinese Government, which feared a Tibet with the power of a god-king behind it. The last Dalai came through, but he had a very strong will. And, as he used to tell me, he was exceptionally fortunate in his servants, watchful and trustworthy.

At 18 the Dalai Lama comes of age. This is not more than 17 in our reckoning, for Tibetans count the year of birth and the current year, so that a boy born on the last day of the year is two years old on the day after his birth. And now he is entitled to be the Sovereign of Tibet, head of both church and State. All power belongs to him, and has so belonged since three hundred years ago, when a chieftain of the Oelot tribe of Mongols subdued Tibet and offered the sovereignty of it to the Dalai Lama of that time, the fifth in the order of succession.

Tibetan ladies of society—Left a princess adorned with a wealth of jewelry consisting of gold and precious gems. Right, Tibetan woman of noble birth, also adorned in court attire.

The Dalai Lama, Ruler of Tibet and ritual master of Lamaism.

There was no more thorough-going dictator in the whole world than the late Dalai Lama. He not only had the power of life and death over his subjects. Tibetans believe whole-heartedly in the doctrine of rebirth again and again; on earth, if one has lived a good life; in one of the numerous hells again and again, if one does evil. And the "All Knowing Presence"—one of the several names by which the Dalai Lama is known—can heavily influence where one's future life will be. So there is good reason for his power. When the Supreme Council kept pressing on him a policy of which he disapproved, he not only vetoed it but shut them up in a monastery.

It is, however, not generally known that most Dalai Lamas have refused to exercise the temporal power. The fifth and the last have done so; the fifth for three years only, the last for the forty years of his adult life. The others, especially those surrounding them, have felt that their sanctity was tarnished by contact with the dirt of worldly administration. And, from the practical point of view, they realized their lack of training and recoiled from the difficulty. Not so the last. His courage and energy were inexhaustible; he recoiled from nothing. But he often used to tell me of the difficulties that attended his early efforts; and the men of Lhasa tell of the tact, tinged with humor, by which he surmounted the obstacles that stood in his path.

While I was living in Lhasa the monastery four miles away, known as "The Heap of Rice"—the largest monastery in the world—went into rebellion. The poorer classes did not worry much; an uprising was to be expected every now and then, especially among the turbulent inmates of the monasteries. Indeed, it introduced a great deal of excitement which brightened the dullness of the daily round.

But the wealthy were anxious for the safety of their possesions. It is in Lhasa that they love to live and keep their heirlooms around them. So they sent these and other valuables out on the dark nights and hid them in villages far and near. The Dalai Lama heard of this through his agents. He wished to avoid a panic, starting in Lhasa, and spreading to other parts. Presently, therefore, a magistrate visited each well-to-do householder, and inquired whether he had hidden any property. The denial of each was recorded, for none dared to confess in this way his distrust of the administration. The people laughed and wondered how, later on, they could claim any valuables that might be discovered in the homes of simple villagers.

During the lifetime of the Dalai Lama you heard only slight and guarded criticism of his rule, especially in the Province of Lhasa. But when he had passed to the Honorable Field criticism grew a little more pronounced. For he was a strong ruler, stirring up the lazy ones and limiting both priestly and

(*Continued on page 217*)

The Motor Route from Peking to Kashgar

The difficulites involved in the rigourous journey shown on the accompanying map were adequately described by Sir. Eric Teichman, in a paper read at the meeting of the Royal Geographical Society in London Nov. 16, 1936 (reprinted from the *Geographical Journal*). Sir Eric, in the autumn of 1935, when Sinkiang was settling down after the convulsions of the Mohammedan rebellion, was sent on a special mission to establish contact, on behalf of the British Embassy in China, with the new Provincial Government in Chinese Turkestan.

Motor transport has revolutionized travel in Mongolia and Chinese Turkestan, he says, and distances which formerly took months of weary travel in camel caravans or carts can now be done in a few weeks.

However, motor travel still encounters considerable difficulties, as is shown by his experiences on this trip from Suiyuan to Kashgar, during which it took him 38 travelling days to cover 2,550 miles, encountering many mishaps and being forced to abandon one of his two trucks after passing through the notoriously difficult Toksun Gorge.

For purposes of convenience this route could be divided into two parts. From Suiyuan to Hami Sir Eric crossed 1200 miles of the sands of the Gobi Desert. In his account of the journey he writes:

The "new motor route across the Inner Mongolian Gobi, first traversed by the Soderboms and Serat in 1930-31, has since been followed by the Hardt-Citroen Expedition, by a party of China Inland Missionaries proceeding to Urumchi, by Dr. Sven Hedin on his last expedition in 1934, and by the trucks of an American firm in Tientsin bringing down cargoes of produce from Sinkiang and it is now used by the Sinkiang-Suiyuan (Sin-Sui) motor transportation company, a Chinese concern which runs trucks between Sui-yuan and Hami the irregular intervals. Owing to political difficulties the trucks of this enterprising company are not allowed at present to go beyond Hami. While the credit for the original exploration of the route lies with Serat and the Soderboms, present-day travellers along it have reason to be grateful to the Sin-Sui company, who have discovered new detours and done a certain amount of work on the road and improved some of the worst places.

"Although the new motor trail through Inner Mongolia is now frequently used by these Chinese trucks, every journey is an adventure and for much of the way a long struggle against the sand. Ten miles per hour is a satisfactory average in the Gobi, say 80 to 100 miles per day, if nothing untoward occurs. On the other hand, if things go wrong and one sticks badly in heavy ground, the whole day may be spent in covering a few miles. Nothing is obtainable on the 1200-mile journey and it is necessary to carry a liberal supply of spare parts, as well as all kinds of implements and apparatus for extricating the trucks from sand and mud, including spades, picks, wooden planks, rope mats, towing hawsers and special jacks. Sufficient petrol must be carried or sent on ahead to depots in the desert to enable one to cover the 1200 miles to Hami, where the first supplies of Russian petrol are obtainable, but at present only through official sources. Estimates of the amount of petrol required should be based on a minimum average of 4 to 5 miles per gallon for a loaded truck in the desert, allowing for necessary lowgear work in sand and bad ground.

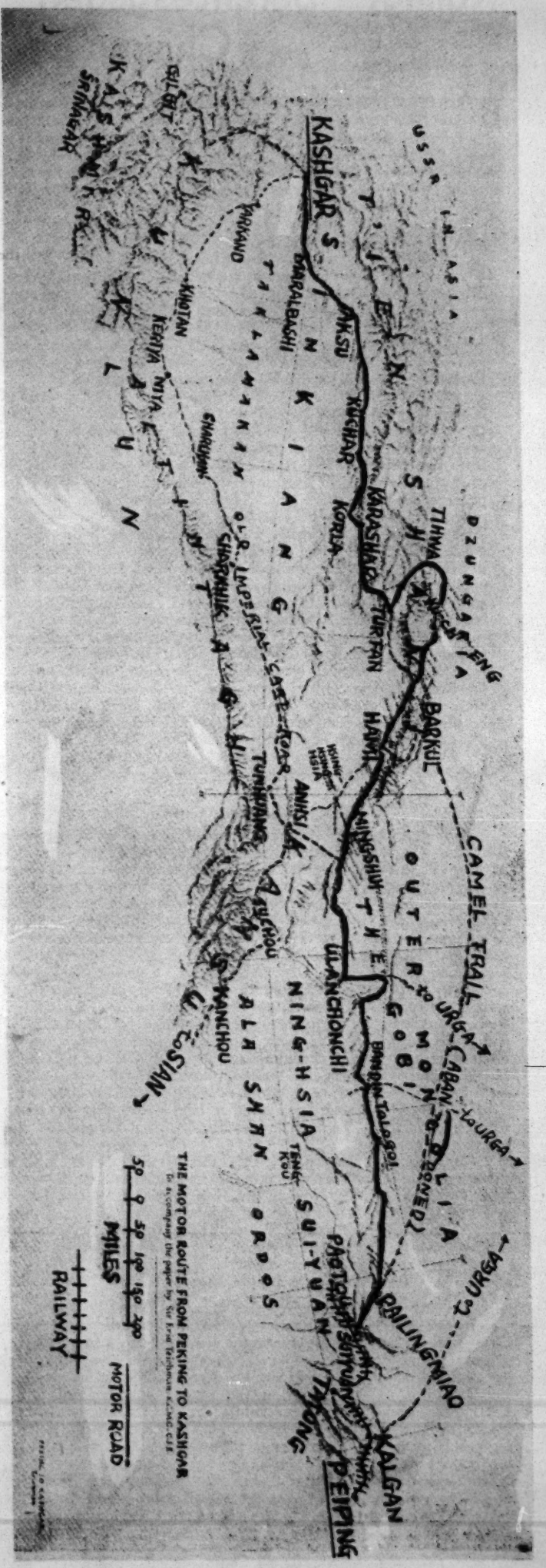
"All food supplies, except meat, must be carried sufficient to reach Hami. Sheep can be purchased en route, and antelope, sand-grouse, duck and an occasional bustard, can be shot in the desert. Wells are met with every 20 to 30 miles along the camel trails, but it is not easy to find them without a competent guide who knows the road. Fuel is obtainable in most parts of the desert, in the form of dead Tamarisk and poplar wood, which burns very well, better than the *argols* (dried cattle dung) of the steppe country. Apart from the fuel and water there is nothing at most of the halts but the bare well, unless one happens on the *yurts* of a depot of the Sin-Sui company or of a Chinese trading post."

The second part of his journey was in Turkestan, from Hami to Urumchi to Kashgar. In this part of the journey, he says, "the motor route follows for most of the way the old art road, which affords on the whole easier going than the camel trails of the Gobi. The carts of Turkestan have a specially broad gauge, which facilitates motor traffic, since motor trucks can generally pass wherever the carts go whereas in North China a cart track will always sooner or later become too narrow for a motor vehicle. The Sinkiang roads are however often very bad in the oasis country, owing to the many streams and irrigation channels that have to be crossed.

"The late autumn or early winter is probably the best season for traversing Chinese Turkestan by motor, and the spring thaw time the worst. In the summer also the rivers and streams and irrigated ground are troublesome. In midwinter the country north of the T'ien Shan is snow-bound and too cold for motor travel.

"*Serais* or house accommodation of some kind, are everywhere available in Singkiang, and from Hami on it is unnecessary to carry tents or large supplies of food.

"It took me thirty-eight travelling days to cover the 2550 miles by motor truck from Suiyuan to Kashgar, but I encountered various mishaps on the earlier part of the journey. With proper organization and preparation it should be possible to do the journey by motor truck in a month, as compared with four to six months by camel caravan or cart."



Kuling, "Berchtesgaden" of China, Where General Chiang Dreams and Plans

BY C. Y. W. MENG 孟長泳

BERCHTESGADEN—which means mansion of the Berchta—was once a little known spa of less than 4,000 inhabitants, lying in the southeasternmost part of Bavaria. Because of its beauty, it was always patronized by the Bavarian royal family, and the Fuehrer and Reich Chancellor Adolf Hitler likewise selected it as a place of recreation while still a struggling party leader. Otto D. Tolischus, in his article on "Where Hilter Dreams and Plans," in *New York Times Magazine* (May 30, 1937 Section 8) has the following to say:—

"Germany is administered from Berlin, capital of the Third Reich. It is inspired and spurred onward from Munich, capital of the National Socialist movement. But it is ruled from a mountain top—the mountain on which Fuehrer and Reich Chancellor Adolf Hitler has built himself a lofty country residence where he spends the large part of his time and to which he always retires to ponder events and to make those fateful decisions that so often startle the world.

"Der Berghof, as this residenee is now called, is rapidly becoming a place of German destiny. Here, more than 3,000 feet above sea level and 1,400 feet above Berchtesgaden, in the southeasternmost tip of Bavaria and only two miles away from his native Austria, Hitler takes refuge from the clamor of Berlin that irritates him and from the daily grist of routine paper work that stifles him. Here, amid the most gorgeous mountain scenery to be found in Germany, not in set conferences, but in informal walks and talks with his closest collaborators and with chosen representatives from all walks of German life, he mulls over new ideas for the practical application of his National Socialist ideology that later find expression in pontifical speeches and pronouncements at National Socialist festivals or party gatherings.

"Now Berchtesgaden is rapidly turning into a 'miniature national capital.' A speedy motor road has been built to it from Munich and a private airport is being constructed on the Rossfeld, near Hilter's residence. A special building has been erected to house a branch of the Reich Chancellery, because, as State Secretary Dr. Hans Heinrich Lammers explained at its direction early this year, 'the Fuehrer is always on duty, even when on vacation.' New homes are being built for the staff of officials and new barracks have gone up for the guarding garrison....."

China's Miniature Capital!

Kuling, China's most famous, beautiful and scenic summer resort, on the Lushan (mountain) near Kiukiang in the Province of Kiangsi, assumes very much the same aspect as Berchtesgaden in Germany today! Here, amid gorgeous mountain scenery, not in set conferences but in informal talks and interviews, General Chiang Kai-shek, the leader of China today, like Herr Hitler of Germany, mulls over new ideas for the application of his ideology. Here is one of General Chiang's private modern residences, which, like Der Berghof in Germany, is rapidly becoming a place of Chinese destiny. Here, many buildings were constructed. The two newly completed modern magnificent 6-story buildings are the places where hundreds of thousands of young people will receive their "training" during the vacation. Each dormitory will accommodate about 1,200 people. The assembly hall is a palace-like building, covered by famous Peiping glazed tiles. Nearly three quarters of a million ($700,000) were used for these buildings and another half ($390,000) is being used to construct the electric elevator to carry people to the top of the mountain.

According to the reports, the cabinet ministers as well as the chairmen of various committees, have also left with small staffs for Kuling. The weekly meeting of the Executive Yuan will be held in Kuling during the vacation. That is to say, the Chinese leader is "always on duty"; and further, he wants to utilize his time to work together with the officials and the people for the nation, "even when he is on vacation." Kuling actually is China's miniature capital today!

Mobilization of "All Talents" in the Country

In an interview with newspapermen in Kuling, General Chiang said that "the readjustment of military affairs in the country has now been completed, the present is the time for the entire nation to participate in concerted effort for national reconstruction." "The future of the State is in our hands. . . . The country is just like an individual; he will be immune from disease if he strengthens his body. . . . The Government is paying special attention to economic rehabilitation and education of the people. . . . The people's economic reconstruction is the basis of national reconstruction. . . . For this purpose, the talent of the nation must be concentrated, comprehensive plans drawn up and the administrative machinery regulated in order to produce greater efficiency," continued the Generalissimo.

Regarding the promotion of education, General Chiang is of the opinion that at the present juncture when the nation has just entered an era of peace and reconstruction, the educational policy and program of the State must undergo a thorough examination. He hopes that the entire nation will rally behind the Government in the accomplishment of its various tasks and that the intelligentsia especially will render whole-hearted co-operation.

According to reports, a total of 240 people were invited to attended the Kuling talks. The invitation was issued on June 19 in the name of General Chiang and Wang Ching-wei, chairman of the Central Political Council. More than half of them were university professors and educators; the others are leaders in all walk of Chinese life. A collective interview, in three groups, with General Chiang and Mr. Wang was arranged.

The mobilization of intellectual forces to plan and accelerate national reconstruction and revival, though it is the first of its kind in the history of national China, is by no means a new thing in Chinese history. It was not infrequent in olden days that the energetic emperors summoned some of the scholars for consultation, on national affairs arising from their desire of "思賢" (thinking of the men of talent in the country) and "求治" (anxious to improve the administration of the country). During the conferences, the rulers would always inquire as to the present condition in the country and would always ask concerning possible suffering among the people under their rule; and they would always be informed of something which they would otherwise hever know. General Chiang has apparently kept these Chinese teachings in mind. Out of the many hours of talks, exchanges of opinions, and discussions of the many problems of the day, with the people in intimate circles, the Generalissimo will know far more about the Nation than he could learn from the many lengthy official reports. That is why Herr Hilter warned his people "to keep in close touch with the people and the facts of life."

Training of Workers for National Revival

According to report, about 14,000 people will receive their training in Kuling this summer. Among them are military officials, police officials, magistrates, military training officials, political training officials, workers of the Party (Kuomintang) principals of middle schools, workers of the New Life Movement, and officers of Boy Scouts and Girl Guides, from all parts of the country. They will be divided into nine Divisions in accordance with the nature of their training. Each Division will have one chief-in-charge. The training period will be divided into three periods. The first period will begin on July 4, and end in 20 days; then the second period will begin; and after that. the third period will begin. A dispatch from Kuling has the following to say:—

"The Lushan training, which carries the mission of the national revival, will start on July 4, and will continue until early part of September. After the vacation, these 15,000 'new generators' will be sent to different parts of the country to push, in systematic manner, the national revival work. It is predicted that some new development and good harvest in future Chinese politics will result. . . ." (see the *Central Daily News*, Nanking, June 25th.)

General Huang Shao-huing, Chairman of the Provincial Government of Hupeh, will be the chief in charge of the training department, while General Chen Cheng, one of China's expert strategists, will be the chief in charge of the educational department. General Feng Yu-hsiang, generally known as the "Christian General," and Vice-Chairman of the Military Affairs Commission. in commenting on the Kuling training, said:

"Such training has a vital relation to the State. For the public functionaries of the Government, having worked continuously over a number of years, have, like machines, become tired and 'rusty.' The aim of the training is to rub off the rust, readjust the machine, and pour into it some new oil with a view to increasing its effectiveness. In Europe and America summer conferences are held in order to provide a much-needed rest following a year's work and an opportunity for reviewing the work of the past year, so as to enhance the efficiency of the work in the future. Herein lies the significance of the summer training which the Central authorities have enforced in the past few years."

Urging Students to Engage in Rural Service

In a lengthy statement to the students of the nation, General Chiang urged the students to spend the vacation in rural service. He said: ". . . . We should understand that rural service is the starting point for the work of reconstruction . . . . . The rural districts occupy 90 per cent of the entire territory of China. Consequently, in order to understand the actual situation in China, we must avail ourselves of this opportunity to visit the rural districts and investigate the actual situation among the rural population. . . . In order to save the country, we must first save the people. In order to save the people, we

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must first serve the rural villages....." Rallying to the call of the Generalissimo, 687 university and college students have already signified their willingness to do rural welfare work during their summer vacation, and more are likely to join.

The Revival of the Spirit of the Middle Kingdom

In the same statement to the students, in the opening paragraph, General Chiang emphasized the salvation of the nation through the revival of the traditional national virtues, namely, Li (ettiquete), Yi (justice), Lien (integrity), and Chih (consciousness), the preservation and promotion of which are the aim of the New Life Movement, promoted by the Generalissimo. I agree with what Gen. Chiang has said and with his movement, but I hope that the revival of the Spirit of the Middle Kingdom will be also included in the Kuling training of the young people, and will henceforth be incorporated in the New Life Movement.

Those who have studied German history will know that Germany was in a far more desperate and hopeless condition after the Peace Treaty on June 28, 1919, than China was after the Japanese invasion and occupation of Mukden on Sept. 18, 1931. But it is the "Rise of New Nationalism," "Back to the Prussian Spirit," and "Revival of Militarism" that have saved Germany from destruction. So in less than two decades, Germany could get rid of practically all the "shackles" of the Peace Treaty. So, as I can see it, "Back to the Spirit of the Middle Kingdom" is the way to save China!

The spirit of the Middle Kingdom of old days was fine. To quote a few of them to illustrate the Spirit may not be out of place here. "After Ten Years of Reproduction, and Ten Years of Training, we will take revenge;" "Even though there are only three families left, the Kingdom of Chu would destroy Chin"; "To regard the national enemy more than a personal enemy"; "There is a general whose head may be cut off, but there is no general who would surrender;" "We live with the city and die with the city;" "We prefer to be a jade to be broken into pieces, rather than to be a tile to be preserved; "To sleep on wood, and to taste bile, and never to forget the humiliation," etc. Such is the Spirit of the Middle Kingdom! So, greater efforts should be employed, not only to revive and preserve the national virtues, but also the national spirit; not only to preserve the Chinese morality, but also to encourage the development of "new Chinese nationalism" in China; not only to train the young people, but also to 'inculcate' upon the minds of the young generation the Spirit of the Middle Kingdom and the New Chinese Nationalism. Such should be the principal part of the "daily work" in Kuling today!

In other words, both China and Germany are in the same situation having had to face a national crisis, unparalleled in their history; and both of their leaders are now devoting themselves to work for the revival of the nation, and are planning way up in the scenic mountains to tackle the many pressing problems of the day, and to work out plans for national reconstruction. As pointed out by Mr. Tolischus, "The dream which Herr Hitler dreamed has become true to a degree surpassing dreams." That is, the German leader has succeeded rather rapidly. But the Chinese people have the same confidence that the Chinese leader —General Chiang Kai-shek—will soon also succeed in rebuilding the nation and in wiping out "all the humiliations," suffered at the hands of the invaders; and this will undoubtedly eventuate after the Kuling discussions and training of 1937!

Nanking, June 27, 1937.

Hupeh's Administration Program

BY S. Y. CHI 季世英

EMPHASIS on the promotion and materialization of the People's Economic Reconstruction Program (as initiated and advocated by Generalissimo Chiang Kai-shek for the economic reconstruction of China) and the improvement and encouragement of the various agricultural enterprises as the best means of achieving rural rehabilitation is given foremost consideration in Governor Huang Shao-hsiung's program of the administration of Hupeh for the next fiscal year—July, 1937 to June, 1938. The following is a brief outline of the program, which has been recently passed by the Provincial Commissioners' meeting and submitted to the Executive Yuan for approval.

Gen. Huang Shao-hsiung, Chairman of Hupeh, who assumed office in January of this year.

Civil Affairs.—Reorganization of the *pao-chia* system (mutual guarantee formed on the basis of 100-family and 10-family units) is to be effected and training of the *pao-chia* officers to be continued.

Registration of household removal and re-arrangement of door-plates (census) are to be given greater attention hereafter.

Police education is to be popularized in the various districts. Reorganization of the *pao-chia* system on water and training of water police are to be treated with equal importance.

Efforts are to be made to continue the drive of suppressing opium in the whole province, in which every district is required to establish one or more special clinics for the care and cure of the opium addicts. Elimination of poppy planting will be strictly enforced.

Finance.—Land-tax is to be carefully readjusted. Investigation of the arable lands in the various districts will be carried through to completion. The tax-imposing method is to be radically improved.

The collection bureaus of the reserve treasury of the various districts are to be organized. The system of employing a chief accountant and the auditing of books by a financial committee will be put into practice in every district. Examination of the tax collectors is to be made from time to time so as to administer reward and punishment. Strict supervision is to be made on the collection of the "peace preservation" fund and the readjustment of the public properties.

The Provincial Bank of Hupeh will open more offices in order to develop financial business throughout the province.

Reconstruction.—Agricultural improvement grounds are to be created for the purpose of improving agricultural products and model agricultural areas are to be founded for carrying out demonstrations and promoting and popularizing the use of improved seeds.

Attention is drawn to the reconditioning and repair of the principal highways, completion of all road-surfacing work, construction of bridges and culverts, supply of transport facilities on the roads which have been opened to traffic, and readjustment of the land over which the highways pass. Steps will be taken to complete the installation of a network of telephonic communication in the province and branch lines will be extended to even the remotest districts.

Education.—Schools will be furnished with health equipment. New buildings will be erected for those educational institutions where needed. A standard is to be decided for granting subsidies to private schools. A summer school will be opened for the teachers of the "Chungshan" primary schools. The equipment of the various secondary schools will be improved and their classes will be readjusted.

Wuchang, Hupeh, June 28, 1937.

Officials of Hupeh Province—Left to right: Meng Kwang-peng, commissioner of Civil Affairs; Chow Tien-tang, Commissioner of Education; Chia Sze-yi, Commissioner of Finance; Gen. Wu Ting-yang, Commissioner of Reconstruction; Lu Chu, Secretary-General of the Provincial Government.

Publicity Director Says National Consciousness of Chinese Is Increasing

There is marked progress of national consciousness in China during recent years, declared Shao Li-tze, Director of the Central Publicity Department, in the course of a radio talk broadcast by the Central Broadcasting Station at Nanking July 2.

Such progress, Mr. Shao said, can be seen from various phases. Diplomatically whatever changes may occur in the international situation the Chinese are adhering steadfastly to their policy of national regeneration and reconstruction. They are determined not to be shaken by outside temptation or discouraged by any disappointment.

The statement contained in the manifesto of the Third Plenary Session of the C.E.C. that "internally China will seek for self-existence and externally for co-existence" has become the guiding principle of the whole nation in facing any diplomatic crisis, Mr. Shao remarked.

The calmness with which the Chinese people face extraordinary circumstances, he further pointed out, was well manifested during the invasion of Suiyuan by "irregulars" and the Sian coup d'etat.

Internally, Mr. Shao continued, such national consciousness is also manifestly seen. All Chinese have come to realize that the prime task at present is to build up a modern state. With such consciousness they have contributed greatly toward the establishment of the prestige of the Central Government and unification of the nation. With the same consciousness many other tasks are being undertaken, notably the convention of the National Assembly, promulgation of the National Constitution and strengthening of national defenses through the organization of the Military Rehabilitations Commission for Honan and Anhwei and Szechwan and Sikong, currency reform in Kwangtung and Kwangsi, extension of the Lunghai, Szechwan-Kweichow, Hangchow-Kiangshan and Canton-Hankow Railways, construction of additional highways, promotion of rural co-operative enterprises and enforcement of the New Life Movement.

The central publicity head expressed the belief that all Chinese youths, irrespective of their schools of thought, recognize Gen. Chiang Kai-shek as the national leader and pledge their unwavering support to the Central Government.

Further, illustrating such national consciousness, Mr. Shao said that while press censorship was formerly criticized as detrimental to the people's freedom of speech, now all newspapermen have come to realize its necessity. They know such censorship will eliminate inaccurate reports and therefore increase the prestige of the papers.

Extrality Abolition Movement Spreads

The question of the abolition of extrality rights has again come to the fore through agitation of the Lawyers Association in Wuhu. At a joint meeting of all legal bodies in said city, called by the Association July 4, it was decided that a telegram be sent to the Central Government petitioning the immediate abolition of extraterritoriality. A manifesto expounding the importance of the abolition and soliciting public support to the movement will soon be issued by the Association.

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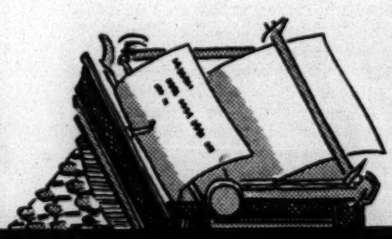

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Japanese Banks Circulate "Manchukuo" Notes in Shanghai

In an attempt to disturb the financial market, large amounts of bank notes issued by the Manchukuo Central Bank have been received by the Yokohama Specie Bank, the Chosen Bank and the Bank of Taiwan in Shanghai for circulation in this port city, the *Lih Pao* of July 4 stated. It is reported that six exchange shops, including the Hung Kong Company, Chen Yung Foong Company, Fu Ta Company, Shun Ho, Ho Shun Yu Company and Li Yuan Company have been approched by the Japanese banks to distribute these notes.

According to well-informed circles, $20,000,000 worth of "Manchukuo" central bank notes have been shipped to Shanghai for circulation. Interviewed by the special correspondent of the *China Evening News*, the six native exchange shops, which were reported to have been entrusted by the Japanese Yokohama Specie Bank, the Chosen Bank and the Bank of Taiwan to distribute these notes, flatly denied that they have anything to do with this matter. A responsible official of the Japanese Consulate-General denied also any knowledge of this report and declared that except the legal tender notes, no bank note of any foreign country is being circulated now in Shanghai.

YIN ISSUES NICKELS AND DIMES WHICH WERE "MADE IN JAPAN"

Yin Ju-keng, Chairman of the puppet East Hopei "government" who issues almost daily statements "sassing" the Nanking Government and ridiculing statements that his government is likely to be dissolved, has now embarked upon an enterprise that may cause Nanking to do more than issue verbal threats. Sometime ago Yin started an East Hopei bank which allegedly has the backing of the Japanese Bank of Chosen. The new bank, in accordance with the practices of other provincial banks in the North, has begun to issue notes—large quantities of paper currency—alleged in some quarters to amount to $30,000,000. Yin is also issuing metallic fractional coins, in imitation of those issued by the Central Mint at Shanghai, excepting that Yin's bank obtained its coins from the Japanese Mint in Tokyo.

The above reproductions show the 5-cent and 10-cent nickel coins now in general circulation in the 22 hsiens or counties of the East Hopei regime. On the left are the front and reverse of the 5-cent coin, which contains a small replica of the old five-barred Chinese flag and 22 stars designating the 22 hsiens of East Hopei. The Chinese characters read, "East Hopei—26th Year of the Chinese Republic."

The 20 cent coin contains a replics of the famous pagoda in Tungchow, capital of East Hopei. The characters on the 10-cent coin are similar to those on the 5-cent piece.

Dr. Sze Wanted to See Want Tsingtao "Looked Like"

Dr. Sao-Ke Alfred Sze, former Chinese Ambassador at Washington, who has been residing at the Park Hotel in Shanghai since his return from Washington and brief trips to Kuling and Nanking, has proceed to Tsingtao where he will remain for the summer. He was accompanied by Madame Sze and their daughter. Prior to his departure for Tsingtao on Tuesday of this week, Dr. Sze told a friend that since he had assisted, as a delegate to the Washington Arms Conference, in obtaining the redemption of Tsingtao to Chinese control, he "was anxious to see what the city looked like."

Japan Uses Convicts to Manufacture Munitions—60,000 Available

The Tokyo *Chugai Shogyo* June 29 stated that expansion of productivity has become one of the national policies which the Japanese Government must undertake and this necessity has given an impetus for improving prison conditions throughout the country under the jurisdiction of the Justice Ministry.

There are at present more than 60,000 convicts serving their sentences in prisons through Japan. The Army has seen the labor power possibilities of this mass of humanity and in consultation with the Justice Ministry authorities it has been decided that they be used to produce munitions. In some branches of the munitions industry it has been found that convict labor alone suffices to cover the field.

Of the Yen 10,500,000 total prison revenue due to convict labor in the last fiscal year, about Yen 4,000,000, or 40 per cent, has been in the field of munitions and this is expected to increase hereafter. It is expected that the prisons will be completely self-supporting and eventually great profits will be produced by convicts.

Japan's Adverse Trade Balance Largest in 20 Years

Japan is facing the largest adverse foreign trade balance in 20 years with the single exception of 1924, when she bought heavily abroad to rebuild Tokyo and Yokohama, laid waste by an earthquake the previous year. This startling revelation was made by the Tokyo Ministry of Finance June 30 with the disclosure that imports had exceeded exports by Yen 641,110,000 over a period of six months. From January to June, official figures showed, imports totalled Yen 2,242,887,000 against exports amounting to Yen 1,601,-777,000. The adverse balance for the period was Yen 326,686,000 larger than that of the corresponding semester last year.

This phenomenon was attributed to large raw material purchases in preparation for the proposed expansion of the nation's productive capacity and to feed the booming war industries.

Exports increased by Yen 338,000,000 during the January-to-June period this year above the figure for the corresponding period last year, but the growth of imports far outstripped this expansion in outward shipments.

Committee Decides on Absolute Control of Imports

Absolute State control over imports was ensured July 2 with the decision of the Foreign Exchange Committee, to lower the upper limit of uncontrolled exchange transactions from Yen 30,000 to Yen 1,000 a month. The present exchange control ordinance, issued by the Finance Ministry in March and expiring at the end of this month, will be revised and retained.

Government Expected to Have No Trouble at Diet

With the proletarian Social Masses Party supplying the sole opposition, Prince Konoye's Government is expected by political observers to coast through the special session of the Diet without any trouble. Of the 24 bills submitted by the Government, 22 have been considered by the Diet previously and are, therefore, not expected to consume much time.

Konoye Wants to Cut Number of M.P.'S

Domei states that a reduction in the membership of the House of Representatives by a third, to about 300, is being planned by Premier Konoye as a part of his program for comprehensive reforms in Japan's parliamentary machinery. Changes are also being planned by the youthful Premier in the Election Law and in the size of electoral districts. The Prince was reported to be in favor of proportional representation, but he was said to be willing to postpone reforms in this direction for the time being.

Konoye Says Cabinet System Unsuited for Tasks of Today

Premier Prince Fumimaro Konoye in an interview July 3 said as at present constituted, the Japanese Cabinet is too preoccupied with departmental matters to discuss national policies affecting the entire State. Changes in the organization of the Upper Chamber, he declared, would the first task to which he would apply himself.

Tokyo Trader Plans Importation of Iron Ore from Tasmania

A plan for importation of 300,000 tons of iron ore annually from Tasmania is reported to have been advanced by Tomitaro Iizuka, a Tokyo trader.

Idle Spindles in Japan to Be Used to Produce Staple Fibre

The production control committee of the Japan Cotton Spinners' Association has agreed in principle to use approximately 3,160,000 idle spindles of member spinning companies for the production of staple fiber goods in view of the heavy demand.

Japan to Develop Overseas Resources

Ambitious plans for the exploitation of natural resources in Japan's colonial possessions, to supply her busy industries with the badly needed raw materials, were revealed by the Ministry of Overseas Affairs in Tokyo July 5. The plans, which will run over a period of five years, will closely dovetail with the five-year plan of domestic industrial expansion, now being studied by the National Planning Board.

The plan includes speeding up of iron mining in Mozan, Korea. Railways and harbors are to be constructed by the Government-General of Korea to assist in the transportation of iron ore to foundries. Intensive exploitation of coal fields in North Korea and South Saghalien is also envisaged.

Several Hundred Japanese Students to Tour Asia

A total of 360 Japanese students will leave Tokyo this month for Manchukuo, North China and the South Seas, under the auspices of the Gakuto Shisei Kai, or the Students' Sincerity Society.

Tungwen College Students to Give Speeches on China and Manchukuo in Japan

Utilizing the leisure of the summer vacation, the students of the Japanese Tungwen College in Shanghai have decided to organize publicity groups to give speeches on China and Manchukuo in various localities of Japan, the *Shanghai Nippo* of June 30 stated.

Hirota Pushes Plan for Consistent, Unified Policy

Efforts of Koki Hirota, Foreign Minister, to formulate a consistent and unified foreign policy for Japan are making steady progress, political observers noted in Tokyo July 5. By means of personal interviews, it was learned, he has quietly but firmly won over leaders in the Upper and Lower Houses of the Diet to his contention that foreign policy should cease being made a political football, subject to the vagaries of domestic situations.

Japan to Tighten and Extend Restrictions on Exchange

Moving to offset the drain on Japanese foreign exchange holdings abroad caused by the steady unfavorable trade balance, the Ministry of Finance will tighten regulations covering exchange transactions in an ordinance due to go into effect August The new measure, which will prolong the provisions of the ordinance that went into effect in March for a five-month period, is expected to be approved by the Foreign Exchange Control Commission at a meeting in Tokyo July 6.

More Gold Leaves Japan for the United States

Completing the fifth shipment of gold to the United States, Yen 11,000,000 worth of the precious metal departed from Kobe July 6 for New York aboard the s.s. *Kwanto Maru*. With this shipment, the Japanese Government has sent to American banks for the past four months a total of Yen 263,000,000 worth of gold bullion. Japan gold bullion shipments this year probably will exceed Yen 300,000,000.

The *Tokyo Asahi* June 27 stated that the Japanese Government has drafted a plan for a positive increase of domestic gold production to cope with the increasing gold shipments being made to maintain the stand of the yen in the international market. The plan was prepared for presentation of the coming special session of the Imperial Diet, to meet this month, in parallel with the gold production control law. The authorities of the Ministry of Commerce and Industry are reported, however, to be very pessimistic over the possible prospect for the increased production of gold in the domestic gold mines. According to the comprehensive surveys made by the ministerial experts relating to the technical production increase of gold on the basis of all available materials, the maximum production increase available by the Government production expansion program will scarcely amount to a half of the present annual production, and will reach far below Yen 100,000,-000 a year.

American Presents Comfort Bags to Japanese Soldiers

The *Tokyo Asahi* June 27 stated that Rosoe I. Bingham, engineer of the National Cash Register Company of Dayton, Ohio, and advertising agent for the Nippon Cash Register Company, who had spent two years in Japan and sailed for the United States from Yokohama the previous day left comfort bags for Japanese soldiers in Manchuria in token of his appreciation of the pleasant life he had led in that country.

Japanese Army Spokesman Denounces "Concocted Press Reports"

In a bitter denunctation of "concocted press reports," a spokesman of the Japanese Army in Hsinking, lashed out June 24 against vernacular and foreign-language newspapers in China. The outburst came in the wake of a strong denial of rumors that an attempt had been made on the life of Emperor Kangte. It was also claimed that the report published several weeks ago in Shanghai newspapers stating that a high Japanese Army officer had attacked a "White" Russian woman in a train was a fabrication designed to arouse anti-Japanese sentiment among the Russians.

Amoy Water Police Seize Morphine Valued at $10,000

Six packets of morphine valued at $10,000 and twenty-six packages of rayon were seized by the Amoy water police from Formosan smugglers June 28. Before surrendering their contraband, the smugglers opened fire on the police. They were, however, forced to decamp without their illicit load.

Opium Gang Leader Arrested in Nantao—Police Get Tip from Cabin Boys

Hsu Kuo-huai, alleged leader of an opium smuggling gang, was arrested early July 3. His arrest was made possible by an alleged confession of four cabin boys of the s.s. *Hai Yen* of the China Merchants' Steam Navigation Company, who were arrested on June 23 on a suspicion that they were trying to smuggle opium to Wenchow, Chekiang.

A notorious drug trafficker, named Li Lai-tzu, was arrested at the town of Ku-i, near Taiyuan, July 3 by a detachment of military police. Li was responsible for organizing a group of more than ten armed ruffians who distributed narcotics to various districts in Shansi along the Chengting-Taiyuan Railway.

Latvian to Serve 12-Year Prison Term for Selling Heroin

A sentence of 12 years imprisonment was imposed by the Shanghai District Court June 26 on J. Martino, 55-year old Latvian, following conviction for trafficking in heroin.

Opium Evil in Suiyuan to Be Eradicated in Two Stages

The opium evil in Suiyuan will be eradicated in two stages, Gen. Fu Tso-yi, Chairman of the Suiyuan Provincial Government, announced in Kweihua June 29. The first stage will be the "persuasive period," from the present to the end of June, 1939, while the second stage will be the "compulsory cure period," from July 1, 1939 to June 30, 1940. Gen. Fu is planning to offer rewards to medical experts who discover medical formulae for the effective cure of opium addicts.

Stuart Fuller's Statement Published as Special Document by Opium Advisory Committee

The Anti-Opium Bureau at Geneva has published the statement of Stuart J. Fuller, American representative, made on June 1, before the 32nd session of the League of Nations Opium Advisory Committee, in brochure form (Special Document No. 4). A summary of Mr. Fuller's remarks was published in *The Review* of June 12.

Hsin Chung Kungssu to Build Own Godowns in Tientsin

Because of the refusal of other Japanese textile interests to participate in the joint construction of a large cotton warehouse and testing establishment, the Hsin Chung Kungssu, South Manchuria Railway subsidiary, has announced that it will spend Yen 200,000 to build its own godowns in Tientsin.

Traitors Sent to Chengchow to Secure Information

The *Lib Pao* of July 3 said large numbers of traitors enlisted in Peiping and Tientsin by a certain party have been sent to Chengchow to collect military information and cause disturbances.

Sixteen traitors sent to Taiyuan and the interior of Shansi by a certain party to collect military information and to cause disturbances have been arrested by the authorities of Ting Yang Hsien in North Shansi, the *Shun Pao* of July 3 stated.

Picture Brides for Northwest Settlers

Reuter reports that "picture brides" left Peiping July 1 en route to Wuyuan to marry twenty of the love-lorn Chinese settlers who are engaged in colonization work there under the auspices of the Northwest Colonization Association.

Gen. Tashiro Gets Leave of Absence Due to Illness—Doihara or Isogai May Succeed

On account of serious illness, Lt.-Gen. Tashiro, Commander-in-Chief of the Japanese Garrison in North China, has been granted leave by the Tokyo War Office to return to Japan to recuperate. Among the most hopeful candidates as Lt.-Gen. Tashiro's successor, it is reported, is Lt.-Gen. Doihara, the master special service agent of the Japanese army who formerly served in various posts in Manchuria and North China.

Major-Gen. Rensuke Isogai, Director of the Military Affairs Bureau of the Tokyo War Office, was also mentioned as successor to Tashiro.

Hui Tung Aviation Company Seeks Increase of Capital

The Japanese vice-director of the Hui Tung Aviation Company, returned to Tientsin July 4 from Dairen to call on Lt.-Gen. Tashiro, commander of the Japanese Garrison, who is very ill. At a joint meeting, the Japanese vice-director told members of the company that the business conditions of the aviation company are very poor and that additional capital must be raised for the continuation of the business of the company.

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Japanese Intensify Cotton Planting in Manchuria

In view of the importance of cotton planting for military purposes, the Japanese are intensified their cotton planting in the Northeastern provinces. Up to June 15, a total of 103,849 mow of cotton land has been cultivated, marking an excess of 3,000 mow as compared with the original estimate of the Japanese Five-year Cotton Planting Plan, the *Chunghwajihpao* of June 23 stated.

Manchukuo's Five-Year Industrial Plan Will Require Yen 2,353,5000,000

The *Tokyo Chugai* says approximately Yen 2,353,000,000 is estimated to be necessary to carry out Manchukuo's five-year industrial plan, which has been shown to the Japanese Government in an effort to obtain its support. The plan has been filed with the Manchurian Affairs Bureau of the Japanese Cabinet, the Finance Ministry, the Commerce and Industry Ministry and the Agriculture and Forestry Ministry, all of which will investigate it.

The five-year plan has come to the limelight suddenly with the Finance Minister's proposal to establish a large-scale economic plan on the basis of Japanese-Manchukuo unity. If this industrial expansion policy is adopted, the Manchukuo plan will be included in it.

The South Manchuria Railway is charged with raising Yen 900,000,000, the Manchukuo Government Yen 700,000,000, special companies in Manchukuo Yen 260,000,000, private companies Yen 340,000,000 and the Industrial Bank of Manchu Yen 100,000,000.

Manchukuo Charges Invasion by Red Plane

Flying at an altitude of 3,000 meters, a Soviet military plane soared over Mishan for more than 10 minutes on the morning of June 26, the Manchukuo military authorities in Mutankiang alleged June 29. The craft disappeared in the direction of Pan Chieh Ho, across the border.

Soviet Officials in Harbin Shun Manchukuo Representative

Manchukuo officials in Hsinking July 2 charged Soviet consular representatives in Harbin with "a grave breach of diplomatic etiquette" in failing to receive Shih Li-pen, Foreign Affairs Commissioner for North Manchuria.

Manchukuo Officials Named in Administrative Reform

Emperor Kangte July 1 personally confirmed six ministers in their new posts under a new Manchukuo administrative system that went into effect on said date. They were: Sun Chi-chang—Civil Affairs, Chang Huan-hsiang—Justice, Gen. Yu Chih-shan—Public Safety, Lu Jung-huan—Industry, Han Yun-kai—Economics, and Li Shao-keng—Communications.

None of them, however, are ministers of state as the Premier is the only official holding such a post under the new regulations.

Manchukuo News Agency Revived

Reorganized into a joint stock company, the Manchukuo News Agency was revived July 1 as an independent firm. Since March last year, the agency operated as the news bureau of the Manchuria Information Association, which includes among its members all the newspapers of Manchukuo. The reorganized news service will operate in close co-operation with the Japanese *Domei* News Agency.

Six commercial and financial news services operating in Japan proper and Korea were merged July 1 into the Japan Commercial News Agency, a *Domei* affiliate. The new firm, capitalized at Yen 200,000, will have its main office in Tokyo and 22 branches scattered throughout the Empire.

New Industrial Area Foreseen in Eastern Manchukuo

Development of a vast industrial area in eastern Manchukuo, drawing its source of power from the vast Ching Po lake in Kirin Province, was outlined by officials of the Department of Industry in Hsinking, June 30. The project, regarded as feasible as a result of a six-month survey of the lake zone by Department engineers, will require an expenditure of MY 10,000,000.

Korea-Manchukuo Conference Planned for Next Month

The Dairen correspondent of the *Asahi Shimbun* reported July 5 that a joint conference between Manchukuo and Korea would be held about the middle of August either in Dairen or in Soeul, for the purpose of co-ordinating the industrial and commercial development of the two countries.

Manchuli Talks to Reopen this Month

Informed of the departure of the Outer Mongolian delegation from Ulan Bator Hata for Manchuli, the Manchukuo Government has decided to reopen for the third time the talks for the settlement of border disputes between the two countries.

The deliberations are expected to reopen in the border town of Manchuli before the end of this month.

Anti-Japanese Volunteers Active in Manchuria

According to Japanese reports, the anti-Japanese volunteers remain extremely active in Manchuria. The volunteer leaders, Hsieh Wen-tung, Chao Shang-tze, Lin Wu-lung, Li Hsueh-wan, and Kwan Shing-jen having from 500 to 3,000 followers are attacking the Japanese and Manchukuo troops. According to these reports, the volunteers commanded by Chao Shang-tze are specially active along the Sungari river. Special measures have been drafted by the Japanese Kwantung Army to suppress these volunteers in the area.

Successful Activities of Chinese Volunteers in Manchuria Admitted by Kwantung Army

The success of the activities of Chinese volunteers in Manchuria was admitted by the Japanese Kwantung Army in an official communique issued July 4. The Japanese communique stated that, of all the volunteers in Manchuria, those under Hsieh Wen-tung, Chang Yu-hsin, Kwan Hsien-jen and Chao Shan-tse are most active. Each of these volunteer leaders has about 3,000 men under his command. With full support from the people, these volunteers are now extremely active in the districts of Shaoho, Hulin, Wuchang and Fachun along the Kirin border.

The volunteers under Chao Shan-tse are exceptionally active. Theyhave repeatedly defeated Japanese troops in Tangyuan on the Sungari River.

Manchukuo Government to Encourage Promotion of Staple Fibre Industry

The Government of Manchukuo, after comprehensive studies of the ways and means for promoting the staple fibre industry in the country in view of its importance, has recently succeeded in drafting measures according to which a national research organ is to be established for the studies of manufacturing, spinning, weaving, dyeing and finishing of staple fibre products. The Consumption tax on staple fibre products is to be exempted, and freight rates for the transportation of staple fibre products are to be lowered, so that the consumers may be encouraged to use staple fibre products.

Tokyo messages state that three representatives of a German machine factory, through the introduction of Mr. Knoll, a German representative in Manchuria, are undertaking negotiations in Changchun for the extension of a credit loan of $120,000,000 to Manchuria.

Japan to Establish "Kolkhoz" Farms in Manchukuo

Taking its cue from Communist Russia, the Manchuria Immigration Federation will next year establish huge "kolkhoz" farms in the new Empire's border regions. *Domei* states Kanji Kato, director of the Federation, is now in Hsinking, conferring with the Manchukuo Government on the plans for the settlement of 15,000 families in the new State in 1938. A large portion of this group will comprise young men, below the age of 20, who will take their conscription examinations following their arrival in Manchuria.

Manchukuo May Get 120 Million Yen Loan From Reich

Negotiations for the importation of Yen 120,000,000 worth of German machinery on credit are now going on between the Manchukuo authorities and the representatives of unnamed German manufacturers, according to the Hsinking correspondent of the Tokyo *Yomiuri*. The shipments would be spread over a period of six years. The credit for the value of the machinery would be settled under the terms of the German-Manchukuo barter trade agreement, the dispatch added.

Roosevelt Still Has Majority Support on Supreme Court Issue

The principal result of President Franklin D. Roosevelt's conference with the leaders of the Democratic party on Jefferson Island has been to show that the majority of the senators still favor the President's plan for reformation of the Supreme Court in spite of the hostile report of the Senate Committee.

Governor of Pennsylvania Urges Strikers to Drive Out Communists

Governor Earle of Pennsylvania in a speech at a meeting of steel workers and coal miners striking against the Bethlehem Steel Corporation in Johnstown, Penna. July 4, appealed to organized labor to drive "those damned communists" out of the ranks of the organization."

U. S. National Debt Now Exceeds 36 Billion Dollars

The U. S. Treasury closed the fiscal year ending June 30 with a gross deficit of $2,811,000,000, compared with President Roosevelt's revised estimate of $2,557,000,000 and last year's figure of $4,361,000,000, Henry Morgenthau, Secretary of the Treasury, reported July 2. Receipts amounted to $5,294,000,000, or $70,000,000 more than estimated, and expenditure totalled $8,105,000,000, or $23,000,000,000 higher than estimated. The gross national debt now totals $36,424,000,000, representing an increase of $2,646,000,000 for the year.

Gen. Chiang Discharges Wu Chi-ting and Shen Shin-yi Because of Cotton Exchange Scandal

Messrs. Wu Chi-ting and Shen Shin-yi, head of the Revenue Bureau and the Kiangsu Consolidated Tax Bureau, respectively, who were arrested in Shanghai June 30 on charges of participating in the recent cotton exchange trouble, were escorted to Nanking by police July 1.

Messrs Chow Lin and Hsu Kan, vice-ministers of Finance, declared that neither Wu Chi-ting, director of the Internal Revenue Administration nor Shen Sun-yi, director of the Consolidated Tax Bureau of Kiangsu, Anhwei and Chekiang, had anything to do with the manipulation of the market of the Chinese Cotton Exchange in Shanghai. Messrs Wu and Shen sent also a joint telegram to Gen. Chiang declaring that they are innocent, so far as the exchange market is concerned.

Gen. Chiang Kai-shek, in an order issued July 1, discharged Wu Chi-ting and Shen Shin-yi from their respective posts in connection with the manipulation of the market of the Chinese Cotton Exchange.

That the Shanghai China Merchants Stock Exchange is not affected by the recent scandal at the Chinese Cotton Goods Exchange, because of the entirely different nature of the two Exchanges, was explained by Dr. Ho Lien, Director of the Political Affairs Department of the Executive Yuan, prior to his departure for Kuling July 2. Moreover, the recent cotton scandal was the result of speculation, and had nothing to do with the business of the Stock Exchange, he said.

President of Philippine Iron Mining Co. Says Chinese Capital Is Welcome

Speaking on the "Mining Boom and Possibilities of Base Metals" before the Shanghai Chapter of the Chinese Institute of Mining and Metallurgy June 27, Conrado A. Uy, president and general manager of the Cagayan Iron Co., said Chinese capital will be welcomed in the Philippines mining industry. He said that he had learned from reliable sources that there were possibilities for Chinese capital here to get into the Philippine mining industry. If this were so, he could assure them that it would be very much welcomed in his country. The Philippines people had always respected the Chinese businessman because of his honesty and fairness.

The year 1936 was the banner year of the Philippines, he said —an auspicious beginning to the life of the Commonwealth, inaugurated on November 15, 1935. Never before in the history of the country had government finances been more stable and secure. Internal revenue and customs collections reached new levels that went over those of 1927 and 1930. Foreign trade was augmented, insular trade hummed with activity as a new impetus was given to every line of endeavor.

Japanese Colony to Invade Islands Near Philippines on Invitation of Sulu Queen

The *Tokyo Asahi* relates that Sannosuke Miyamoto of Kobe who became the hero of a 1937-type of fairy tale by receiving eleven islands of the Takgan archipelago between British North Borneo and the Philippines this spring from Queen Daian-Daian-Pianda of Sulu, has decided to return to his Treasure Island. If things go smoothly he expects his South Island Industry Company capitalized at Yen 2,500,000 to hold its inaugural shareholders' meeting during this month and to take 500 fishermen gathered together from Okinawa, Kochi and Wakayama Prefectures to his fairyland.

Meanwhile, the Sulu royal family is anxious to receive Mr. Miyamoto and has sent over a photograph of King Mohammed Amir Onbra, a former member of the Philippine Senate, taken at the time of his coronation as Sultan. "My Japanese Father, come to the islands soon," a letter addressed to Mr. Miyamoto from the King said.

T. V. Soong Returns to Shanghai—Tentative Agreement Reached on Kwangtung Currency

After receiving instructions from General Chiang Kai-shek, regarding the readjustment of Kwangsi currency and finance, T. V. Soong, member of the Standing Committee of the National Economic Council, and concurrently Chairman of the Board of Directors of the Bank of China, returned to Shanghai from Kuling this week.

The *Ta Mei Wan Pao* says that as a result of repeated negotiations between Geen. Li Tsung-jen, commander of the 5th Army in Kwangsi and T. V. Soong, a tentative agreement has been reached for the unification of Kwangsi currency. It is reported that Gen. Li proposed the determination of a definite rate of exchange between the Kwangsi notes and the legal tender notes, increase of the military expenses for the 5th Army, and the issuance of bonds. Mr. Soong expressed his agreement to these proposals and promised to bring up the matters to the Central Government for decision.

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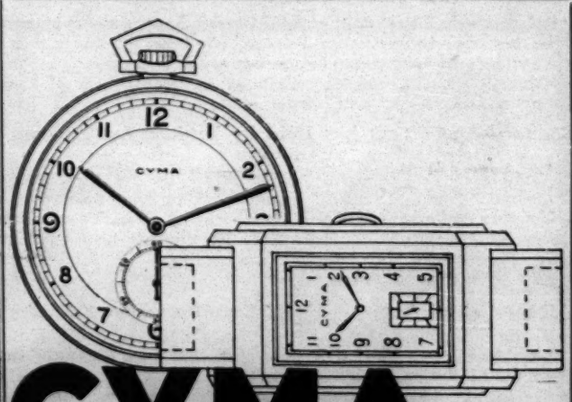

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Governor Wu Te-chen Addresses Graduates at Lingnan University

General Wu Te-chen, Governor of Kwangtung, speaking to the 37 graduates at the recent Annual Commencement of Lingnan University said: "Your graduation bears no greater significance than the fact that you have been shown only to the door to knowledge." Pointing out that while book knowledge may be obtained in the school, General Wu said that knowledge of actual conditions in a society fraught with complications can only be obtained by practical experience. "You are extremely fortunate in having had the opportunity of receiving a higher education, because under present conditions in China the number of persons who are able to receive an education, especially a higher education, represent only a drop in the bucket. You must not think that the splendid education which you have acquired in this University is mainly due to the efforts of your parents, even though they have given you their financial support. China to-day needs all the talent available in her struggle for modernization, and it is your duty to apply what you have learnt to the needs of society. Nothing will be regarded as more ungrateful if you fail to discharge your debt to society honorably," Gen Wu said.

Dr. Chang Po-ling Elected President of Phi Tau Phi Society of China

Dr. Chang Po-ling was elected president of the Phi Tau Phi Scholastic Honor Society of China which concluded its two-day convention in Shanghai July 1. Other officers elected for the next three years were: Dr J. Usang Ly and Dr. Li Shu-tien, vice-president; Dr. C. F. Wu, secretary-treasurer, and Dean S. T. Yang, assistant secretary-treasurer. Among the resolutions passed at the meeting were that post-graduate students are to be treated the same as graduating students for membership in the Society. The meeting was held at the Chiaotung University in Avenue Haig.

$45,884,096 for Educational Expenses

China's educational and cultural budget for the 26th fiscal year totals $45,884,096, according to an official announcement of the National Government, July 6. Of this amount, $42,934,368 are ordinary and special budgetary estimates for government institutes, while $2,949,728 are subsidies for various private institutes.

Amoy University Becomes National Institution

The Amoy University, founded by Tan Ka-kee, well-known Singapore rubber magnate, has, as from July 1, been transformed into a National Institution, it was officially announced in Nanking July 4.

Pai Peng-fei Granted Year's Leave

Pai Peng-fei, Director of the College of Law and Commerce of the National University of Peiping, has been granted a year's leave by Dr. Hsu Sung-ming, Chancellor of the University. During his absence Yu Chi-chang, Dean of the Department of Law, will act as Director of the College.

Commencement Exercises Held by Institute for Training of Officials

Commencement exercises of the 5th Class for the training of incumbent judicial officials—conducted by the Institute for the Training of Judicial Officials under the Judicial Yuan—were held in Nanking, July 2. More than 100 guests, including Chu Cheng, President of the Judicial Yuan, Political Vice-Minister of Judicial Adminstration, were present.

Tsingtao Naval Academy Holds Commencement Exercises

Commencement exercises for the Naval Officers' Class of the Tsingtao Naval Academy were held July 1. Speeches were delivered by Li Po-jen, representative of General Chiang Kai-shek, and Commander Chi Chao-lin, Adjutant of the 3rd Naval Squadron, on behalf of Rear-Admiral Hsieh Kang-che, Commander of the said Squadron.

The students of Lanchow who have been undergoing military raining were reviewed at Lanchow July 4 by Lieut.-General Ho Yao-tsu, Acting Chairman of the Kansu Provincial Government and concurrently Vice-Director of the Sian Provisional Headquarters of the President of the Military Affairs Commission.

Two Chinese Students Deported by Tokyo Authorities

Two Chinese students, who were deported by the Japanese authorities in Tokyo, arrived in Shanghai end of last week. The Japanese alleged that the Chinese possessed a number of forbidden circulars such as "The Manifesto Addressed to the Third Plenary Session by the Chinese Communist Party" and the declaration of the Chinese Red Army for the direction of the Anti-Japanese People's Front.

New Business Manager and Deputy Treasurer for University of Shanghai

C. P. Chen has been chosen as business manager, and S. S. Beath as deputy treasurer of the University of Shanghai, according to an announcement by President H. C. E. Liu. C. P. Chen was graduated from the University in 1926. S. S. Beath was formerly a missionary educator in South China, and during the last few years he has been serving as the business manager of the Downtown School of Commerce of the University.

China Will Not Attend Education Conference if Manchukuo Participates

That China should withdraw from the International Education Conference, which will open in Tokyo in the near future, was advocated by Dr. Hu Shih, leading member of the Chinese Government delegated to participate in the Education Meeting, in a press interview in Peiping, July 2. Dr. Hu insisted that China should refrain from participating in the conference, if Manchukuo be permitted to participate.

Despite previous assurances to the contrary, delegates of the puppet Manchukuo have been invited to attend the World Educational Conference at Tokyo. On March 7, Mr. Oshima had definitely assured the Chinese that delegates of the puppet state would not be permitted to attend the Conference.

At an emergency meeting of the Joint Office held in Nanking July 1 it was decided to dispatch an urgent cable to Mr. Oshima asking for an explanation of his *volte face* and expressing firm opposition to the participation of Manchukuo.

Northeastern Residents in Peiping Start Drive to Keep University in Old Capital

A committee for the maintenance of the Northeastern University at Peiping has been formed by a number of prominent Northestern residents in the former capital. The committee intends to launch a drive for funds among Northern people in different parts of the country. The drive will be started simultaneously in ten different places, including Peiping, Tientsin, Nanking, Pengpu, Shanghai and Sian. The committee believes that $10,000 a month will be enough to carry on the work of the local institution.

The Northeastern University, founded by the late Marshal Chang Tso-lin, used to receive more than $20,000 a month from the Ministry of Education in Nanking, but owing to the refusal of the student body and teachers to accept a nominee of the Ministry for the Chancellorship of the University in succession to General Chang Hsueh-liang, the Government suspended this allowance about four months ago. Since then the University has been split in two, one remaining there and the other at Sian.

Ministry of Education to Buy Li Sheng-To's Library

Negotiations for the purchase of the late Li Sheng-to's famous Chinese library by the Ministry of Education in Nanking are proceeding smoothly, and there is every hope of an agreement being reached before long, according to information from Chinese educational circles in Peiping. The library, consisting of over 5,000 Chinese books, including many rare manuscripts, is valued at $1,000,000. Mr. Li Sheng-to, the owner of the collection, was a well-known Chinese scholar and had held many important posts under the Manchus, including that of Chinese Minister to Japan and England. He died in Tientsin last February.

Executive Yuan Revises Regulations for Dress of Students

By order of the National Government transmitted through the Executive Yuan, the Ministry of Education has revised the Regulations governing the dress of students. Regulations governing the special provision is made regarding hats for girl students. Hitherto Chinese girls have not been in the habit of wearing hats, and a proposal for rectifying this omission was recently made by Madame Wang Ching-wei, wife of the Chairman of the Central Political Committee.

It is now provided that primary school girls should wear black or dark blue hats in winter and spring, and white hats in the summer and autumn. Such hats are also to be worn by girls in junior and senior middle schools and colleges. Except under special circumstances, primary school children may be exempted from wearing uniforms. Higher primary school pupils from poor families may also be exempted from wearing uniforms.

Canton Branch Military Academy Opens New Classes

The Second General Class and the Special Class of the Canton Branch of the Central Military Academy were formally opened in Canton, July 4, when a special message from General Chiang Kai-shek was given to the cadets. More than 3,000 cadets and members of the faculty were present. Among the guests were General Yu Han-mou, Pacification Commissioner for Kwangtung, representing General Chiang Kai-shek, President of the Military Affairs Commission and Principal of the Central Military Academy; General Lo Cho-ying, director of the Canton Provisional Headquarters of the President of the Military Affairs Commission; Tseng Yang-fu, Mayor of Canton; and General Hsiang Han-ping, Vice-Commander of the 4th Route Army.

U.S. Consul at Tientsin Transferred to Foochow Post

Robert Spencer Ward, U. S. Consul, stationed at Tientsin since Jan. 24, 1935, has been transferred to Foochow, Fukien province, where he will assume charge at the end of the present month. Gordon Lee Burke, who has been at Foochow since 1931, will proceed to Tientsin where he will join the Consulate-General in that city.

Robert Spencer Ward

Mr. Ward was born at Marysville, British Columbia, his parents being American citizens. After receiving his A. B. degree from George Washington University he joined the State Department, but later was transferred to the War Department. In 1929 he returned to the Department of State and was first assigned to Tokyo but later transferred to Canton. He then went to Peiping as a language officer and in 1933 was appointed Vice-Consul at Tientsin and promoted to Consul on Jan. 22, 1935. He is widely known in the Tientsin district due to his extensive knowledge of Chinese political and economic affairs.

Mr. Burke, who will join the Tientsin Consulate General on August 1, was born at Shanghai and after graduation at Vanderbilt University and service in the Army and also some experience in business, joined the U. S. Consulate at Changsha in 1922. After service at Swatow, Hankow, Nanking and Chefoo he went to Peiping as a language officer and later was appointed in charge of the Consulate at Foochow.

China Banks Have Profitable Business in First Six Months of 1937

The *China Times* says all Shanghai banks enjoyed prosperous business during the first six months of this year. The Central Bank of China, the Bank of China and the Bank of Communications are reported to have made more profits than all the other banks. The Chinese Farmers' Bank, the Shanghai Commercial and Savings Bank come next in the amount of profit which they made during the period.

Japanese Paper Says Dr. Kung Has Raised Loan of U.S.$1,500,000 in U.S.

A Washington message dated June 30 in the *Shanghai Nippo* stated that a new loan has been concluded by Dr. H. H. Kung and the American interests. The loan will amount to U.S.$1,500,000, The American Export-Import Banking Corporation will lend U.S.$650,000 cash while the remaining sum will be lent to China in the form of railway building materials by the various American railway material manufacturing companies.

Kiangsu Budget Balances at $35,000,000

The budget estimate of the Kiangsu Provincial Government for the 26th fiscal year balances at $35,477,841, according to the Department of Finance of the Kiangsu Provincial Government, representing an increase of 25 per cent of the previous budget.

Chekiang Borrows $24,000,000

With the permission of the Ministry of Finance, the Chekiang Provincial Government is borrowing $24,000,000 from the Shanghai banks for the reorganization of its old loans. It is reported that principles regarding the loan agreement have been decided upon and before the end of this month the loan agreement will be signed by the banks and the Chekiang Provincial Government.

Foreigners Without Extrality Rights Pay Income Tax

The China *Times* says foreigners without extraterritorial rights, including Russians and Germans, are paying income taxes to the National Government. Special offices have been established for the collection of such taxes from the white Russians living in the Settlement and the French Concession.

Shanghai Banking Circles to Form Probe Party to Kwangtung

Shanghai banking circles are jointly organizing an inspection party to Kwangtung to study the possibilities of economic and industrial development in the province. Following the investigations a joint loan syndicate will be established for investment in the various industries in the southern province. Gen. Wu Te-chen, Chairman of the Kwangtung Provincial Government, it is stated, will avail himself of the opportunity of his present visit here to confer with the local financial leaders on investment measures in Kwangtung industries.

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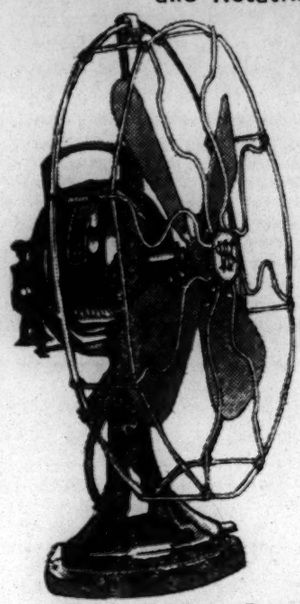

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Democracy Imperfect But Still the Best System

The following is the text of an address delivered by Judge Milton J. Helmick, of the U. S. Court for China, at the Fourth Marines Church Service held at the Cathay Theatre in Shanghai, Sunday, July 4. The service and the concert which followed commemorated Independence Day.

Among the more enlightened persons of the world it is no longer the fashion to appraise one's country in ancient terms of boastful vain-glorious things. We do not now point to conquered colonies, territorial area, grand tonnage of battleships, number of men in arms, the wealth of our leading families or the profligacy of our rulers as proofs of a country's greatness. No longer do we say in praise of any chieftain that "he hath brought many captives home to Rome whose ransoms did the general coffers fill." In the midst of a bettered civilization we are coming to appraise a country's greatness solely in terms of its people's happiness and its standard of living, and by this test we acclaim to-day the glory of the United States of America and celebrate the anniversary of its independence.

As a nation we are committed to democracy, which, it must be conceded, is still an experiment, but we have gone far enough to believe that it can and must work. It is true there is at present a wide and amazing variety of opinion concerning democracy generally and our governmental sysetm in particular. There is noticeable in our country a turbulent clamor and a sometimes violent unrest, but I do not share the fears of those citizens and newspapers who believe our government and our constitution are in jeopardy. Change, development, is the cosmic law and a nation must either progress or go down. Things do not remain static, but everything changes. Liberty of opinion, liberty of discussion, liberty of conduct, have never harmed a free government. These things are safety valves; repression produces nothing but revolution and martyrdom. We are sanguine enough to believe that in a democracy things somehow have a habit of righting themselves, "things refuse to be mismanaged long—though no checks to a new evil appear, the checks exist and will appear." It is a truism that in our country, imperfect as it may be, the lot of the common man is the best on earth and that all present-day developments and movements are unquestionably designed to enhance the condition of the millions and not the few.

On the anniversary of the Declaration of Independence it is well to redirect our attention to its fundamental propositions. The important part of the Declaration, I think, is the introduction where political doctrines are stated with such felicity and vigor, namely, that governments derive their just powers from the consent of the governed and that a people should assume among the powers of the earth the separate and equal station to which the laws of nature and of nature's God entitle them. The list of grievances against the English King which are contained in the Declaration of Independence are not, after all, very serious. Certainly they present no hair-raising or shocking recital of atrocities and it is hard to work up much indignation over the rather dry and unexciting category of wrongs inflicted on the Colonies. The truth is that the Colonies desired liberty for liberty's sake and not primarily because of any stamp tax or tax on tea. God knows that in 1776 as in 1937 taxation was no novelty, and that devious and varied methods of revenue exaction have increased rather than decreased with the years. It can hardly be believed the Colonies waged a 7-year war of independence against the most enlightened government of the time simply to avoid the stamp tax, the tax on tea, lack of representation in Parliament and other governmental regulations which were irksome. The idea of liberty was indigenous to the new world. On our shores on the frontier of the world, remote from the political and economic traditions of Europe, the reclamation of a virgin country from nature to serve the needs of man resulted in a new breed of men who were naturally devoted primarily to the homeland they had created through hardship by the exercise of primitive virtues and who were dreaming of better lives for their children and who visualized a large destiny for their frontier country. Democracy in the new world had a head start.

The Declaration of independence asserts that all men are created equal. This means that in the United States all men are created politically equal and possess identical civil liberties and rights. We know in truth that men are not created equal in other respects, and no government can ordain it otherwise.

Men are not created equal in mentality, in body, in talent, in temperament, in capability, in environment, and it will always be so. But it is the glory of our country not only that equality of opportunity obtains but that it is not a mere technical or possible equality of opportunity in which the country says, in effect, to the humble boy or girl, "There is nothing in our laws or system which bars you from attaining any eminence to which you aspire, but we have no concern whether you rise or not and we dare you to try to emerge from your station and your environment." Our government does not say, "Sure, we have equality of opportunity—try and get it." Our country not only affords equality of opportunity in a passive sense, but is actively concerned in making it a positive reality. The American way is not to assert equality of opportunity as an abstract principle, but by act and deed actually to equalize the inequality naturally inherent in human society, for the benefit of every worthy citizen who is willing to work and to strive. No government can make you a heavyweight champion or me a grand opera singer! While it is sometimes facetiously said an Act of Congress has made all Navy and Army officers gentlemen, no statute can make all Marines expert riflemen nor all men rich, but we are pleased to believe that in the United States the government is more concerned for the welfare of its people than any place on earth, and that in no other nation is social justice so far advanced, and peace and security so well guaranteed.

Judge Milton J. Helmick of the U. S. Court for China, Who Proposed the Toast to the President at the July 4 Reception at the American Club. A Photograph of President Roosevelt is Shown in the Background.

We have come a long way on the road of national existence and although the goal is yet afar off we can celebrate the national birthday with gratitude and optimism. We do not look for miracles from supermen or put our faith in fantastic panaceas, but we realize that our destiny lies in the warm hearts and judicial minds of our thinking people. Class consciousness, greed, robbery, corruption, bigotry, sectionalism and prejudice, must inevitably retreat in the face of popular education and popular conscience. The command is "Forward, march!"

Americans in Shanghai Celebrate Independence Day

With flag raising ceremonies, polo games, baseball games, and other festivities Shanghai Americans spent last weekend in celebrating Independence Day. Since July 4 fell on a Sunday, July 5 saw most of the ceremonies connected with the celebration.

Two special services were held on Sunday to commemorate the days. Judge Milton J. Helmick stressed the democracy of the United States in his address before the Fourth Marines' Church held at the Cathay Theater Sunday morning. The text of Judge Helmick's address appears elsewhere.

On Monday the celebrations began with a parade of the Fourth Marines and sailors from the U.S.S. *Sacramento*, the only American warship in harbor, at the Race Course, accompanied by a flag-raising ceremony.

The American Consulate-General gave a reception at the Columbia Country Club at 11.30 a.m. on Monday, and an hour later the American Club held its annual masculine open house.

SOVIETS WITHDRAW TROOPS FROM DISPUTED ISLANDS IN AMUR RIVER—MANCHUKUO WILL STATION OFFICIALS

(*Continued from page 198*)

diversionists" are reported from Khabarovsk to have been executed for alleged operations on the Soviet's Far Eastern railways.

Twenty-two more Soviet Eastern Railway officials have been executed at Vladivostock, according to the Moscow correspondent of the official German news agency. They were convicted, he says, on charges of terrorism and espionage on behalf of Japan. Altogether 153 officials of the Eastern Railway are stated to have been executed so far.

Workers Desert Wholesale from Gorki Motor Car Factory

Mass desertion of workers employed by the motor car factory at Gorki is reported by the organ of the Heavy Industries Commissariat, *Sa Industrialisaziju*, which says, of 34,700 workers employed by the factory, no fewer than 12,000 left their work in the year of 1936. In the first five months this year another 5,000 workers deserted. The paper suspects that agents of "enemies of the Soviet Union" are responsible. Output of the works has decreased enormously.

Soviets Will Build New Harbor in Bay of Providencia

The most northerly harbor on the Soviet coast of the Far East is to be constructed in the Bay of Providencia, according to a recent message from Moscow. It is expected to be an important point on the northern waterway being constructed from European Russia to the Bering Strait for transportation of troops and material in case of war.

Soviets Actively Push Gold Mining—Output to Be Increased 75 Percent

Tass says the gold industry of the U.S.S.R. is entering into the Third Five-Year Plan with abundant reserves of gold in both the old and newly discovered deposits. These reserves, according to preliminary estimates, ensure a 75 per cent rise in the gold output of the U.S.S.R. during the Third Five-Year Plan. During this period there will be launched four rich new mines (in the Urals and Siberia) which are to yield 20 per cent of the country's entire gold output. Exploitation will begin of two large auriferous sand deposits in Yakutia. Many of the large mines and goldfields already functioning will double their output.

Japanese Report Says "Tass" Chief Has Been Eliminated

M. Doletzky, director of *Tass*, official Soviet news agency, has been "definitely eliminated" from his post, Ihachi Hagino, *Domei* staff correspondent, telephoned from Moscow to London July 3.

Austrian Newspaperman Expelled from Moscow

Expulsion orders were served in Moscow July 2 on M. Bucczi staff correspondent of the *Neue Frei Presse* of Vienna. A resident of Moscow for 15 years, the Austrian journalist was regarded as one of the outstanding authorities on Russian affairs in the Moscow newspaper fraternity.

White Russians in China Dreaming of Political Come-Back

Following about 15 years in exile, White Russians in China are apparently still dreaming of the day when they will "march" back to Moscow where once the Tzar and the bureaucracy ruled the vast Russian Empire. That they have not yet abandoned this illusion was revealed in a Tientsin message published by the official *Central Daily News* this week stating that the White Russian exiles in Tientsin, Peiping, Shanghai and other cities in China have been keeping themselves busy in an attempt to form a "united front."

Nanking Issues New Press Law

Chinese newspapers and news agencies must meet certain requirements regarding news space and capital investment, according to the detailed regulations of a new Press Law. A newspaper shall be required to devote at least two-thirds of its space to news matter, excluding advertisements. When a newspaper publishes an outport edition at some other city, it shall be considered as an independent paper. In cities with a population above 1,000,000 where the seat of a provincial government or municipal government is located, a newspaper must have a capital of $10,000 and a news agency must have a capital of $3,000. If the population is under 1,000,000, the newspaper must have a capital of $6,000 and a news agency $1,000. At any place where the seat of a hsien government is located, a newspaper must have a capital of $1,000 and a news agency $200. But if no newspaper or news agency has ever been established at such a place, the first newspaper may have a capital of $500 and the first news agency $100.

At places other than those already mentioned, the amount of capital for a newspaper or news agency may be fixed by the provincial, municipal or hsien government and submitted to the Ministry of the Interior for approval.

After the promulgation of the new Press Law, all newspapers and news agencies shall be required to register regarding their capital within a period of six months. If they fail to do so within a specified period, the authorities may order their suspension.

In the United States Court for China

TATIANA IVAN PETROFF, Plaintiff, vs. ALEXEY D. PETROFF, Defendant.	Cause No. 4216 Civil No. 2095 ORDER Filed at Shanghai, China, June 18, 1937. William T. Collins, Clerk. By E. J. Collins, Dep. Clerk.

The object of this suit is an action for Divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 17th day of June, 1937, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 17th day of June, 1937, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 17th day of June, 1937, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein since June 16, 1936, and that defendant's last known address was 810 East Denny Way, Seattle, Washington, U.S.A.

NOW, THEREFORE, it is this 18th day of June, 1937, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 10th day of July, 1937, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court:

Dated at Shanghai, China.

this 18th days of June, 1937.

MILTON J. HELMICK,
Judge.

CUSTOMS NOTIFICATION NO. 1583

With reference to Customs Notification No. 1522 announcing the promulgation by the Government of a Revised Provisional Code Governing Punishments for Evasions of Customs Duty, the public is hereby notified that the period of validity of the above Code has been extended for one year by the Government.

CHU CHANG-NIEN,
Superintendent of Customs.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 6th July 1937.

China Merchants' S. N. Co. Buys Two U.S. Cargo Vessels

The *China Press* states that two cargo vessels which have been operating from the East Coast of the United States have just been purchased by the China Merchants' S.N. Co.

The vessels, the s.s. *Betty Ween* and the *Frances Ween*, will be operated out of Shanghai by the local Chinese shipping concern to South China ports. An official of the line said that the two boats are being purchased to "meet the immediate needs of the company for more tonnage" before the new construction program is put into effect. "It takes at least two years to build a ship now," this official added. "The purchase is entirely to fill a gap."

Gen. Lung Yung Proposes Building of Motor Car Factory

In a proposal to the Central Government, Gen. Lung Yung, chairman of the Yunnan Provincial Government, suggests the building of a motor car factory for the manufacture of cars using charcoal instead of gasoline as fuel.

Yung Li Acid Company to Be Sold to Japanese Interests

Negotiations are proceeding between the Yung Li Acid Company and the Hsin Chung Company for the purchase of the Yung Li Acid Factory by certain Japanese interests. It is reported that the Yung Li Acid Factory (with a capital of $2,000,000) when purchased by the Japanese interests will form part of the Puhai (Gulf of Chili) Chemical Factory now being planned by the Japanese interests.

Wing On Cotton Mill to Increase Capital by $6,000,000

The shareholders of the Wing On Cotton Mill have decided to increase the capital of the factory by $6,000,000. As a result the total capital of the factory will be $18,000,000.

President Lin Sen Stresses Importance of Light Industries

Lin Sen, Chairman of the National Government, in an interview in Kuling July 1, said the development of light industries is of primary importance in China's reconstruction. Aside from the development of light industries, Mr. Lin was also of the opinion that China's handicrafts industry should also be promoted.

Seven Million Dollars for Water Conservancy

A sum of $7 millions will be expended for water conservancy during the new fiscal year (July 1, 1937-June 30, 1938), according to a decision reached at the 5th general meeting of the National Water Conservancy Commission under the National Economic Council held in Nanking, July 3.

Chekiang Provincial Government to Establish Cotton Mill

A cotton mill will be established in Chekiang under the auspices of the Provincial Government. Capitalized at $7 millions, it will have 50,000 spindles. Machinery costing $3 million will be purchased from Britain and paid for in 15 instalments.

National Highway Conference to Be Held in Wuchang

A national highway conference will beheld in Wuchang July 15 under the auspices of the Bureau of Highways of the National Economic Council.

Camphor Industry to Be Developed

Measures for the development of the camphor industry in China have been mapped out between the Ministry of Industries and the National People's Economic Planning Commission.

Ministry of Finance Places Embargo on Wheat

In view of the rapid increase of the prices of flour and other foodstuffs, the Ministry of Finance is making an investigation of the problem. It was suggested that the Ministry should prohibit the export of wheat, the *Sin Wen Pao* of July 4 stated.

In view of shortage of wheat and other foodstuffs in general, the Ministry of Finance and the Ministry of Industry have decided to prohibit the export of wheat from this country. In an order to the Customs authorities, the Ministry of Finance instructed that no wheat will be allowed to be exported from July 5 to June 30, 1938. As to other foodstuffs, special export duties must be paid for export.

Seven Chinese Engineering Bodies Will Hold Convention at Taiyuan

Seven Chinese engineering bodies including the Society of Chinese Engineers, the Chinese Chemical Engineering Society, the Chinese Electrical Engineering Society and the Chinese Mechanical Engineering Society will hold their joint annual convention at Taiyuan from July 18 to July 22. General Yen Hsi-shan, Pacification Commissioner of Shansi, and Chao Tai-wen, Chairman of the Shansi Provincial Administration, have been elected Honorary President and Vice-President of the Convention respectively.

Railway to Be Built to Transport Coal in North China

To expedite the transportation of coal, a 60-li railway will be soon constructed leading from the coal mine at Hauchiaossu, Hsiaohsien, to Sanpao, whence it will link up with the Tientsin-Pukow Railway. The project entails a cost of $500,000.

Railway Business Conditions Discussed at Conference in Nanking

Reports on the business conditions of the various railways in the country were submitted by managing-directors of the different lines to Chang Kai-ngau, Minister of Railways, at a conference in Nanking July 1. Among the managing-directors present were Chen Yen-chiung, of the Peiping-Hankow Railway, Chien Tsung-tse, of the Lunghai Railway, Lin Hung-hsun of the Canton-Hankow Railway, Huang Pao-chiao of the Nanking-Shanghai and the Shanghai-Hangchow-Ningpo railways.

Shanghai Canton Through Rail Service to Open November 1

Through railway traffic between Shanghai and Canton will be inaugurated by the Ministry of Railways on November 1.

China Soap Company Strikers Injure Foreign Settlement Police

Three hundred coolies at the China Soap Company factory, 2310 Yangtszepoo Road, Shanghai rioted July 2 and fought a group of police from the Yangtszepoo Station, injuring three foreign policemen and three Chinese constables with pieces of concrete. The disturbance occurred despite an announcement that a general increase and various other benefits had been granted the workers from the London office.

More than 10,000 women workers of Chinese factories in the Sinza district proclaimed a general strike July 2 as a protest against the failure of the employers to comply with their demands for a wage increase.

Employees of Japanese Steel Factory Stage "Sit-Down" Strike

Two new labor disputes occurred in Shanghai, June 29. In the Japanese Nakamura Steel Factory, the workers proclaimed a "sit-down" strike against the maltreatment accorded to one of the Chinese workers by a Japanese staff member. The workers, however, returned to work after the factory authorities had promised to pay the hospital expenses of the worker, who was injured as a result of his beating by the Japanese. In Western Shanghai, a general strike was declared by workers of the Chinkung Silk Factory who protested against the arrest of one of their comrades by the police. The arrested worker, a woman, was alleged to have beaten another worker, who attempted to work for the Factory during the previous strike several weeks ago.

Three Thousand Workers at Changsha Textile Factory "Sit Down"

Three thousand employees of the Hunan First Textile Factory at Changsha staged a sit-down strike this and last week. They boycotted a meeting called by We Chung-heng, a mediator from Central party Headquarters.

Celluloid Workers Go on "Sit-Down" Strike

Some of the workers of the Kiu Sin Celluloid Manufacturing Plant, No. 363 Chichaochu Road, (製造局路) Shanghai, staged a "sit down" strike June 19 as a protest against the extension of their working hours. Following this a general walk-out was proclaimed by all the workers. The dispute was arbitrated through the offices of the local Tangpu Headquarters and the Social Affairs Bureau.

Female Workers in Stocking Plant Stage Demonstration

A demonstration was staged by the female workers of the Tih An Stocking Manufacturing Plant on Talin Road, Shanghai, June 20, as a protest against the dismissal of a technician.

Strikes Due to Rise in Commodity Prices, Says "Shun Pao Weekly"

The *Shun Pao Weekly*, June 25, commented that the recent rise of commodity prices in China is an artificial result, caused by different special reasons; among them is anxiety of the people over rumors regarding the currency system. The recent occurrence of labor disputes has resulted from the fact that the workers demand an increase of wages because of the rise of the the commodity prices, the newspaper added.

That precautionary measures be adopted to prevent labor strikes was ordered by General Chiang Kai-shek, in a telegram to the Greater Shanghai Municipal Government July 2.

"We Must Win Rearmament Race," Ambassador Bingham Says in Independence Day Speech

"Despots have forced America and Great Britain to undertake rearmament and having undertaken it we must necessarily win the rearmament race," Robert W. Bingham, the American Ambassador in London, declared in a speech at an Independence Day dinner in London July 5. "My we hope," Mr. Bingham added, "that this realization will come to war mongers in time before another catastrophe occurs so terrible and ghastly that imagination recoils from it."

WHILE EUROPE PREPARES FOR WAR, PIOUS TIBET SEARCHES FOR CHILD RULER

(*Continued from page 202*)

feudal privileges in this priest-ridden, feudalistic country. Did the head of a large monastery, great in his self-esteem, oppress his poor neighbors? A call would come to go to Lhasa and wait on the "Precious Protector." Arrived there, the abbot might be kept two or three days in the anteroom before the Dalai Lama received him, and the interview, when it came, crumpled up his self-sufficiency. Many were the officials whom he degraded for laziness, lack of self-control and other forms of inefficiency. A few changes were made when he died, but the main lines of his policy were followed.

In area, Tibet is one-third that of the United States, but the entire population is less than half that of New York City. It is the highest country on the earth and one of the most secluded. Districts 10,000 feet above the level of the sea are regarded as lowlying; monasteries and farmhouses at 15,000 are by no means uncommon. Throughout the vast area of Northern Tibet —over a thousand miles in length and four or five hundred across —even the valleys are at an altitude of 16,000. And the winds! You will find it better to come out of your draughty tent onto the icebound ground for your day's march before 6 in the morning in order to avoid, as far as possible, the blinding, freezing gale that begins about 10 and attains full force after midday.

They are hardy folk, these Tibetans. In olden times all were pure nomads following their flocks of sheep and goats, their herds of ponies, mules and the long-haired, bushy-tailed yaks, the characteristic cattle of Tibet. Even now the nomads are to be found everywhere, as crops can grow only in the warmer, well-watered areas. But for many centuries past the farmers have been numerous. They grow barley, their staple food; peas and mustard; and in the less arctic places wheat, buckwheat, and for vegetables they grow radishes and turnips; but of vegetables the ordinary Tibetan eats only the tiniest portion or none at all.

The peasants live in houses. The lower part of the walls may be built of stone, the upper of air-dried brick. They have no brick kilns. They have no glass in their windows, and no fireplaces. To keep warm they wear sheepskins and long felt boots. In fact, a Tibetan may be said to carry his bedding about with him, and wear it. And of course they do not feel the cold as we do. Often in the early Spring, with snow on the ground and a cold wind blowing, you may see the Eastern Tibetan, naked from the waist upward, following his laden yaks as they lumber over the plain.

The staple food of the farmer is barley flour and tea, and meat when he can afford it. He drinks twenty to thirty bowls of tea a day, the bowl being of the size of a largish cup. The nobles, officials and shopkeepers drink forty to eighty cups a day. Meat in Tibet keeps good for three years, if the animals be killed toward the beginning of Winter; grain keeps good for three or four hundred years, and is stored everywhere throughout the country. The dry cold makes this possible.

Polyandry flourishes in many parts. A girl marries two or three brothers. Maybe one is at home looking after the farm; another is three days' journey distant, tending the yaks and sheep and goats across two or three ranges or mountains where the grazing is good; a third is trading between Lhasa and India, for Tibetans are keen traders. In due course the farmer-husband will go out, and let in one of the other two. In this way subdivision of the family property is avoided. The wife has the whip hand.

Religion dominates Tibet as nothing else does. Older men and women often pray two hours every day, and the younger ones not a little. Enormous sums are spent on religious purposes. There is much in the religion that is mechanical, prayer wheels turned by a watermill, and so on. But there is also in it much that is good.

In any case the faith of the Tibetans is firm and deep. It is this faith on which the Dalai Lama's power is founded. But how long will it last in these pushful, scientific days? Who shall say? Up to date there have been thirteen Dalai Lamas. There is an old Tibetan prophecy that there will be no more than seventeen. It may well be so.

Nanking to Tightens Up Regulations on Photographing in the Interior

Restrictions upon the taking of photographs by travellers in Chinese territory, whether journeying by land, air or water, are to be tightened up as the result of the issue by the Ministry of the Interior of a new set of regulations. At the present time passengers in commercial aeroplanes are prohibited from taking pictures of the territory over which they fly, while in fortified zones and other designated military areas visitors are forbidden even to carry a camera. It is expected that these taboos will be extended considerably when the new regulations go into effect, and that local military and police officials will be authorised to ban the use of cameras at their discretion.

In the United States Court for China

In re.
LAST WILL AND TESTAMENT
of
MINNIE OVIATT,
Deceased.

Cause No. 4221
Special Proceedings No. 2100
NOTICE
Filed at Shanghai, China, June 28, 1937.
WILLIAM T. COLLINS, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Minnie Oviatt, deceased, to present the same with vouchers to the undersigned on or before January 3, 1938, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Nelson E. Lurton,
Administrator Ad Colligendum,
330 Szechuen Road,
Shanghai, China.

Shanghai, China.

In the United States Court for China

In re.
ESTATE
of
MONTE VALENTINE SULLAWAY
Deceased.

Cause No. 4222
Special Proceedings No. 2101
NOTICE
Filed at Shanghai, China, June 30, 1937.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Monte Valentine Sullaway, deceased, to present the same with vouchers to the undersigned on or before January 3, 1938, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Roy G. Allman,
Hamilton House,
Shanghai, China.

Shanghai, China, June 30, 1937.

LEADERS GATHER AT KULING TO CONFER WITH GENERAL CHIANG; FRESH DISTURBANCES IN NORTH FEARED

(*Continued from page 194*)

and social-mindedness among the Chinese people." Telling his American audience that China has achieved real national unity, Dr. Wang added that she is determined to win her rightful place in the family of nations. "Events of the last few years" Dr. Wang said, "have shown China capable of doing great deeds by her own efforts, capable of setting her house in order, provided that she is given the chance to work out her destiny uninterrupted and unembarrassed. This chance we want and this chance we must have."

Dr. Wang's speech in part reads as follows:

"Since the establishment of the National Government at Nanking ten years ago we have done everything within our power to combat influences that work for disunion—influences that tend to undermine the stability of the government and of Nanking. Today I can tell you with every confidence that we have achieved real national unity—a unity that is every day being further consolidated. The Chinese Government saw clearly that internal peace and political stability are the prerequisites of a strong and prosperous nation; that only peace and stability permit the carrying out of a program of national reconstruction, to which we have addressed ourselves. Now that the foundation has been securely laid, we are applying ourselves to the task of economic reconstruction and the development of national resources. Our task is immense and difficult, but what has been achieved affords ground for hope and encouragement."

Then the speech dwelt at length on the progress achieved by the National Government in various fields of activities, particularly, the improvement of agriculture and of the conditions of the farmers, conservancy measures for prevention of flood, development of transport and communications, financial and currency reforms. Finally, Dr. Wang pointed out that above and over all the achievements in material reconstruction is a new spirit that has taken root among the people, as demonstrated by the conspicuous growth of national consciousness and social-mindedness among the Chinese people. "This spirit of service," Dr. Wang concluded, "is fomented by a new moral influence which is now at work all over China. We call it New Life Movement. The aim of the New Life Movement, which was initiated by General Chiang Kai-shek in 1934, is to strive for the rebirth of the nation through character building."

SHAO SEES MARKED PROGRESS OF NATIONAL CONSCIOUSNESS IN CHINA

There is marked progress of national consciousness in China during recent years, declared Shao Li-tze, Director of the Central Publicity Department, in the course of a radio talk broadcast by the Central Broadcasting Station July 2. Such progress, Mr. Shao said, can be seen from various phases. Diplomatically whatever changes may occur in the international situation the Chinese are adhering steadfastly to their policy of national regeneration and reconstruction. They are determined not to be shaken by outside temptation or discouraged by any disappointment. The statement contained in the manifesto of the Third Plenary Session of the C.E.C. that "internally China seeks for self-existence and externally for co-existence" has become the guiding principle of the whole nation in facing any diplomatic crisis, Mr. Shao remarked. Calmness with which the Chinese people face such extraordinary circumstances, he further pointed out, was well manifested during the invasion of Suiyuan by "irregulars" and the Sian coup d'etat. Internally, Mr. Shao continued, such national consciousness is also manifestly seen. All Chinese have come to realize that the prime task at present is to build up a modern state. With such consciousness they have contributed greatly toward the establishment of the prestige of the Central Government and unification of the nation.

GEN. SUNG TO DIREDCT ELECTIONS OF NORTH DELEGATES TO PEOPLE'S CONGRESS

To carry out his duties as Director of the elections to be in Hopei, Chahar, Peiping and Tientsin in connexion with the National People's Assembly, General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, has established an office in the Council. Liu Chun-lin, a Hanlin scholar and an adviser to the Council, has been appointed to take charge of the office. He will be assisted by a secretary, two sectional chiefs and several clerks.

Pointing out the significance of the general election, which has been carried out in Hopei and Chahar provinces, Peiping, and Tientsin, Dr. Hu Shih in an article published in his Magazine *Tu Lih Pin Lin* (Independent Critic), of June 20th, writes:—

"The general election of the delegates of Hopei-Chahar, Peiping, and Tientsin to be sent to the forthcoming People's Conference, which is now being carriedd out under the auspices of the local authorities, is significant for the following reasons:

(1) It convinces the world of the fact that these two Provinces and two municipalities are naturally indivisible parts of the Chinese Republic as an entity.

(2) It points out to our powerful neighbour (Japan) that all conspiracies of effecting dismemberment of China or the specialization of the status of some parts of this country will be bound to fail.

(3) It shows to all Chinese nationals that the military and political authorities of Hopei-Chahar, Peiping, and Tientsin, do support national unification, without being entrapped by the Japanese ronins and traitors.

The list of candidates for special election as delegates to the National People's Congress (*Kuo Min Ta-Hui*) representing Liaoning, Kirin, Heilungkiang and Jehol Provinces; Mongolia and Tibet; Chinese residing abroad; and the National Army, has been approved by the General Election Office and submitted to the National Government for official record. According to the list announced July 3, the candidates for Liaoning, Kirin, Heilungkiang and Jehol provinces total 42, 39, 27 and 27 respectively.

The 10 Chinese feminist leaders who went to Nanking several days ago in the interest of women's election fight have now returned to Shanghai from what may turn out to be "Love's labors lost," that is, as far as their efforts to increase representation at the National People's Assembly are concerned. According to these delegates, a delegation was appointed at the National Women's Conference held in Nanking who called at the offices of the National Government and the Central Kuomintang Headquarters with the petition for the increase of women delegates to the National People's Assembly. Due to the summer heat from which most of the leading government officials in Nanking are seeking shelter at Kuling, the women representatives were given a cold shoulder during their call at the National Government headquarters. At the Central Party Headquarters, the three delegates interviewed Yeh Chu-tsang, Secretary-General of Central Kuomintang Headquartes. The latter said that the Central Government will "try to increase the candidates of women delegates if possible."

The 12th anniversary of the establishment of the National Government was commemorated at Nanking July 1. Over 400 officials were present at the ceremony which was presided over by Chang Chi, member of the S.C.C. He gave an historical account of the circumstances under which the National Government was inaugurated.

CO-WORKER OF FENG YU-HSIANG SERIOUSLY ILL, NOT GOING TO LUSHAN

General Li Lih-chun, member of the C.E.C. and co-worker of General Feng Yu-hsiang, was taken suddenly ill in Tacheng near Shanghai July 5. General Li is suffering from hemorrhage of the brain. His condition was reported to be so serious that he was obliged to cancel his trip to Kuling.

Ouyang Kui, secretary-general of the Kwangtung provincial Government, is in charge of the affairs of the province during the absence of the Governor, General Wu Teh-chen, who has gone to attend the celebrations commemorating the 10th anniversary of the founding of the Municipality of Greater Shanghai. Interviewed by *Reuter*, the spokesman of the provincial administration declared that the most important point General Wu would discuss with General Chiang Kai-shek when he visited Kuling would be Kwangtung's three-year rural reconstruction plan, which had reached a practical stage and was ready for immediate enforcement. Before his departure, the spokesman said, General Wu was very busy with Hsu King-tong, Commissioner of Reconstruction, in trying to improve the conditions of the farmers and peasants, who comprised 80 per cent of the population of the province. General Wu, he added, had been urging improvements in farming technique and the development of financial facilities in rural districts.

Kuo Min reported July 2 that it is officially announced that Wu Chi-ting, Director of the Internal Revenue Administration, and Sheng Sheng-i, Director of the Consolidated Tax Bureau for Kiangsu, are under detention at the Ministry of Finance for reported complicity in the recent cotton scandal. Messrs. Wu and Sheng are being questioned to ascertain the extent of their alleged speculations on the Cotton Goods Exchange in Shanghai.

Yu Ju-hsin, chief engineer of the Shanghai Telegraph Administration; Chang Chen-ho, director of the International Radio Station, Shanghai; Hsu Hsuch-yu, director of the Shanghai Telephone Administration, and Pao Ko-yung, director of the Shanghai Telegraph Administration, were each demoted one rank for corruption by the Central commission for Disciplinary and Punishment of Public Functionaries. Yen Jeng-kuang, ex-director of the Telegraph Department of the Ministry of Communcation, was dismissed on the same charge and is deprived of his privilege of being appointed to civil service for one year, *Central News* reports.

Yui Ming Reappointed Director of Shanghai Office of Waichiaopu

Yui Miing, former Director of the Shanghai Office of the Waichiaopu now serving as Counsellor of the Ministry, was re-appointed July 2 to his old post to succeed Chow Chueh. Chen Ming, former First Secretary of the Chinese Legation in Panama and well-versed in Japanese affairs, was named vice-director of the Office. Mr. Chow, the outgoing Director, was recalled to the Waichiaopu to serve as secretary, while Chao Tieh-chang, the outgoing vice-director, was appointed a sectional chief in the General Affairs Department of the Waichiaopu.

Who's Who in China

C. C. Cheng, civil engineer: born in Kiangsu, 1896; graduate of National Tung Chi University, Woosung, Shanghai; graduate of "Sächsische Technische Hochschule" in Dresden, Germany; graduate of "Sächsisches Institut für Städtebau" Germany; Professor, Hai-Ho Institute of Technology, Nanking; Professor, National Central University, Nanking; Section chief, Department of Public Works, Inspectorate-General of the Port of Shanghai and Woosung; Secretary, Section Chief, and Expert of the Bureau of Public Works, Municipal Government of Greater Shanghai; Councillor, Municipal Government of Tsingtao; Director, Harbor Engineering Bureau, Municipal Government of Tsingtao; member of the Yangtse Conservancy Commission, Ministry of Communications; member of the Yellow River Commission; Expert of Selected Rank, Vice-director, Bureau of Hydraulic Engineering, National Economic Council; member of the Hydraulic Engineering Commission, National Economic Council; now Director, Bureau of Hydraulic Engineering, National Economic Council, and Chairman, the Preparatory Commission of the Central Hydraulic Research Institute, National Economic Council; author of "Regulation of Rivers," The Commercial Press, Shanghai, 1934; and "City Planning," The Commercial Press, Shanghai 1927; address: Bureau of Hydraulic Engineering, National Economic Council, Nanking.

鄭肇經

C. C. Cheng (Cheng Chao-chin)

鄭肇經，江蘇人，同濟大學土木科畢業，德國特萊司登大學土木科畢業，德國薩克遜市政工程研究院畢業，歷充河海工科大學教授，國立中央大學教授、淞滬商埠督辦公署工務處科長，上海特別市政府工務局秘書科長技正，青島特別市政府參事及港務局長，揚子江水道整理委員會委員，黃河水利委員會委員，全國經濟委員會水利處簡任技正，副處長，水利委員會委員籌備中央水工試驗所主任委員，全國經濟委員會水利處處長，著有河工學及城市畫學。

American Community Announces Committees for Coming Year

The American Community of Shanghai announces that the following Committee will act for the coming year: To serve for three years—E. M. Gale, J. A. Mackay, Col. C. F. B. Price, Dr. E. W. Luccock, H. E. Page; to serve for two years—A. Bassett, P. Le Fevre, Mrs. A. C. Cornish, D. C. Reib, F. J. Twogood, D. C. Reib, replacing, J. Fistere, resigned; to serve for one year—N. F. Allman, Dr. J. L. McCracken, C. S. Franklin, O. G. Steen, H. W. Frick, (H. W. Frick, replacing A. E. Schumacher, resigned.)

The above Committee co-opted the following six members: J. S. Potter, G. M. Neal, C. W. Pettit, W. A. Adams, P. M. Anderson, E. O. Heuser.

Ex-Officio Members:—Consul General C. E. Gauss, Judge M. J. Helmick, Commercial Attache Julean Arnold, W. H. Plant, Chairman American Chamber of Commerce.

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Men and Events

M. Aleksander Janta, Tokyo correspondent of the *Gazeta Polska*, Warsaw, arrived in Nanking from Japan June 29.

The insurance business of Bruce S. Jenkins in Shanghai has been incorporated as Bruce S. Jenkins, Federal Inc., U.S.A.

The Assistant American Naval Attache and Mrs. Hagen, who had been visiting in Peiping recently where they were the guests of Mr. and Mrs. George Spengler, returned to Shanghai end of last week.

The British War Office has recommended Col. John W. Hornby, formerly of the 12th Lancers, for employment as Commandant of the Shanghai Volunteer Corps in succession to Colonel F. R. W. Graham, whose tenure is shortly expiring.

Lin Tze-ming, a representative of the Singapore Chamber of Commerce, is at present in Shanghai. He urges Chinese commercial and industrial groups in Shanghai to participate in the exhibition of Chinese products to be held in Singapore during October.

Considerable delay has recently occurred in the dispatch of letters to and from Sinkiang. It is learnt that the delay is caused by the special circumstances at the Sinkiang border, where nothing is permitted to pass without a permit (*buchiao*) from the local authorities.

Revised rates for radio-telephone rates to the United States came into force July 1. The rate for communications to the First District of the United States and Canada will be $71.41 for the first three minutes and $23.80 per minute additional; other rates in proportion.

Dr. and Mrs. John C. Ferguson announce that they will be at home at No. 3 Hsi Chiao Hutung, Peiping, on August 4, on the occasion of their golden (fiftieth) wedding anniversary. Mrs. Ferguson, before her marriage, was Miss Mary E. Wilson, of Macedon Centre, N.Y.

Miss Marjorie Perry, a descendant of Admiral Perry (famous for opening Japan to the world) passed through Shanghai last week enroute to Peiping, where she will attend the American school. She came here from Philadelphia, where her father, Ward T. Perry, is a wealthy industrialist.

Lt. Commander Walter Ansel of the U. S. Navy, accompanied by Mrs. Ansel and their son, arrived in Shanghai this week and are proceeding shortly to Chefoo where Commander Ansel will be assigned to duty on the U. S. S. Bulmer. Commander Ansel's home is at Elgin, Illinois.

The Social Affairs Bureau and the Peiping branch of the China Science Movement Association will jointly establish a Science Experimental Institute in Peiping. Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, has promised to personally contribute $20,000 toward its establishment fund.

Sergeant William Casper Blabon, one of the few American members of the Shanghai Municipal Police, who joined the force in 1930, departed this week for America where he will remain permanently. He was honored by the police at a gathering in the reading room of the Hongkew Station, when a wrist watch was presented to him as a memento from his fellow officers on the force.

Nicolas V. Stenin, a Russian aged 46, threw a brick through a plate glass window of Intourist, official Soviet travel agency at the corner of Szechuen and Hongkong Roads, Shanghai, June 24, causing damage of $200. He said he did it to express his hatred for the Soviets. The man was arrested and later charged at the District Court. He is a regular inmate of the Salvation Army Hostel in Amoy Road.

Miss Violet Carey D'Urban Coles, daughter of Dr. and Mrs. C. E. Coles of Albany, Oregan, was married to Charles Elliott Perry, son of the Rev. and Mrs. George A. Perry of Troy, New York, at St. Mary's Hall Chapel in Shanghai July 3. The bride was given away by Dr. W. H. Pott, and the wedding was solemnized by the Rev. H. M. Throop.

A new clinic for the treatment of veneral diseases was opened in the Shanghai French Concession last week, at the corner of Admiral Bayle and Rue du Pere Froc. The premises were built with funds supplied by the Caisse des Oeuvres (the fund into which the Canidrome and Hai Alai pay their heavy license fees) at a cost of over $100,000. It is one of the largest institutions of its kind in the world.

The death occurred in Shanghai at the age of 55, July 5, of Phillip Aaron Sargeant, head of the Industrial Engineering Company at 128 Museum Road. Deceased had been a resident here since 1919, engaged in the heating and plumbing business. Born in 1882 at Lynn, Mass., Mr. Sargeant was the son of the prominent banker and shoe manfacturer of that city. He was in Greece during the World War, and afterward came to China in 1918 to install the plumbing and heating systems in the Peking Union Medical College. The next year he moved to Shanghai and had been here ever csien.

The p'an of the Nippon Yusen Kaisha to erect a big skyscraper on The Bund has been approved by the Tokyo head office, according to T. Yamamoto, manager of the local offices, who recently returned from Tokyo where he discussed the matter with high officials of the company. Mr. Yamamoto said the N.Y.K. would will build a structure not less than 20 stories in height.

Following a brief dentention by the authorities of Kashan Hsien, Chekiang, on the suspicion of espionage, Norio Watanabe, a Japanese businessman from Shanghai was surrendered to the headquarters of the Shanghai-Woosung Garrison July 3. The Chinese authorities alleged that he was suspected of being a spy. The Japanese Embassy called the attention of the Chinese authorities to the frequency of similar incidents and ask for their termination.

A Passengers Conference of practically all the steamship lines engaged in Far Eastern trade was formed in London June 30 with the objecct of friendly co-operation between members and coordination of action regarding sailings, passage rates and other kindred subjects. The conference is comprised of representatives of American, English, French, the Netherlands, Italian, German and Japanese lines.

Subscriptions were opened last week by the Shanghai Municipal Council for a $3,000,000 debenture at 5 per cent interest and maturing on Dec. 31, 1967. The loan was authorized by a resolution adopted by the annual meeting of the general ratepayers' meeting in April. The debenture will be issued at 99 per cent and will be redeemed at par under the operation of a sinking fund.

No broadcasting station in any part of the country may install radio equipment with a power exceeding 1,000 watts as this would interfere with the operation of the Central Broadcasting Station at Nanking, according to a ruling recently made by the Ministry of Communications, and the Executive Yuan has therefore issued orders to the various Provincial and Municipal Governments enjoining that it be faithfully observed.

The Young Brothers Banking Corporation, intimately associated with the development of Szechuen province, is now known as Chu Hsin Chen Bank, Limited. The Yang family remains in control, but outside funds have been added, thus increasing the capital from $1,000,000 to $2,000,000. The bank's Shanghai branch is now building a modern 15-story building at the corner of Kiukiang and Kiangsi Roads.

The engagement is announced of Miss Dorothy Yen, younger daughter of Dr. and Mrs. F. C. Yen to Franlyn Lieu, son of Mr. and Mrs. O. S. Lieu. The marriage is to take place on July 14, at St. John's Pro-Cathedral. A dinner reception will follow at the New Asia Hotel. The bride was graduated from the University of Shanghai last week. Sir Ely Kadoorie entertained in honor of the young couple at his home on Tifeng Road, Marble Hall, July 2.

H. Arthur Steiner, prominent American educator and professor of political science at the University of California, Southern Branch in Los Angeles, passed through Shanghai last week enroute to Nanking, Peiping, Manchuria, and thence around the world via Siberia. In an interview he said there are many signs that America is rapidly abandoning her attitude of sitting back and watching world affairs impartially, particularly in relation to the Far East.

Dr. Edward Carter, general secretary of the Institute of Pacific Relations, was a recent visitor to Canton. Governor Wu Te-chen entertained Dr. Cartet at a tiffin. Dr. Carter also paid a visit to the Bureau of Agriculture and Forestry where he secured first-hand information on the work now being carried out by the Provincial Government to improve agricultural conditions and research in the fields of horticulture, entomology, animal husbandry and poultry raising. He also inspected the provincia textile mill, the jute mill, the woolen mill and the silk filature.

Alexander Krisel, representative in China for United Artists, and R. E. Binns, general manager in China for Warner Brothers First National Pictures, were guests at a farewell dinner given this week by the Shanghai Film Board of Trade. Mr. and Mrs. Krisel and their three sons, Lionel, Henry and William, are sailing July 10 for San Francisco, en route to Hollywood. Mr. Krisel plans to retire to a California ranch. Mr. Krisel has made Shanghai his home for a number of years, and for a long time has been associated with United Artists. He was formerly U.S. Commissioner. Mr. and Mrs. Binns are planning to leave soon for Philadelphia.

University freedom, modern languages by radio and the teaching of calculation by use of the abacus are some of topics that are to be discussed at the Seventh World Conference of the World Federation of Education Associations, which will be held at Tokyo Imperial University from August 2 to 7. Among the speakers will be Dr. Stephen P. Duggan, director of the Institute of International Education, Dr. H. Lester Smith, dean of the School of Education of Indiana University and writer of books on education, Sir Hassan Suhrawardy, vice-president of the Medical Council of India, Frank Midkiff, president of the Kamchameha Schools of Hawaii, Professor Paul Monroe, of Teachers' College, Columbia University and president of the World Federation of Education Associations.

Shigeru Uyehara, Japanese assistant commissioner of the Shanghai Municipal Police, has been promoted Deputy Commissioner succeeding Akira Tajima, who retired to Japan.

By order of the Ministry of Interior, the Peiping Municipal Government has instructed the Bureau of Police and Social Affairs to prohibit the use of the portrait of General Chiang Kai-shek, by merchants in commercial advertisements.

Leo Astrachan, well-known motion picture representative in the Far East, has tendered his resignation as head of the Far Eastern Division of the New Universal Motion Picture Export Corporation, of New York and Hollywood.

The States Steamship Company announces that it will discontinue its Portland-Manila service, which it has been maintaining since 1923. The concern will henceforth engage exclusivtly in coastal service along the Pacific Coast of the United States.

Miss Lulu Siao, daughter of Dr. and Mrs. T. K. M. Siao, was married to Nyoen Chung Nyi, son of the late Y. C. Nyi and Mrs. T. Z. Nyi, at St. Peter's Church, 351 Avenue Road, Shanghai, July 4, the Rev. Yui officiating. Following the church service a reception was held at the International Club.

Bonny Powell, Fox "Magic Carpet" cameraman, returned to Shanghai this week as a passenger aboard the American Mail liner *President McKinley*, after having spent more than five months traveling through and photographing the Philippines Archipelago. A feature of his trip to the islands was the staging of special army maneuvers so that he might make movies of them. The Philippines Army under General Douglas MacArthur, the Philippines Army Air Corps and the U.S. Infantry force stationed there all were put through their paces in war games and special parades.

Greater Shanghai Celebrates Tenth Anniversary with Industrial Fair

The celebrations incidental to the tenth anniversary of the foundation of the Municipality of Greater Shanghai commenced with a lantern parade on the evening of July 6. The parade started at the Civic Centre and ended in the Native City, going by way of Chungshan Road, Chapei and Nantao. More than a score of decorated automobiles took part in the procession.

O. K. Yui, Acting Mayor of Shanghai, presided at the inauguration of the exposition which is being held to commemorate the anniversary, at the Administration Building at the Civic Centre, which was gaily decorated for the occasion. Gen. Wu Te-chen, came up from Canton specially to assist at the ceremony. Mrs. Pan Kung-chan, wife of the Commissioner of Social Affairs, cut the ribbon formally opening the Industrial and Handicraft Fair, which will continue for 12 days.

Mrs. Yang Hu, wife of the Woosung-Shanghai Garrison Commander, opened the air defense exhibit. Wives of high City Government officials opened the other exhibits, including the public health, cultural, municipal administration and historical objects.

Exhibits occupy 1,001 booths. A prominent display is that of the Anti-Venereal Diseases Clinic, where vivid pictures show the results of uncared-for diseases. Next to this is the booth of the Shanghai Birth Control Information Bureau. Across the aisle is the display of the Chinese Mission to Lepers, giving facts about this little-known disease, which affects 10,000,000 Chinese.

Hotta, the "Fox," Captured After Squandering Stolen Money

The "one-man terror of Hongkew" is again behind bars (maybe safely, this time) after almost two months of freedom following his escape from his cell at the Japanese Consulate-General in Shanghai taking with him $420 intended for the deportation of 10 Koreans.

Masao Hotta, who is also known as "the Fox" or "the one-man terror," told Japanese Consular Police after his capture that he had spent his days of freedom shifting from one house of prostitution to another, mostly those between Nanking Road and Avenue Edward VII. At several times he had made attempts to leave Shanghai, but had been afraid of being captured by the Police, even though the Chinese garb which he had assumed belied his nationality.

He was captured on July 1. He made his escape May 10. As to the whereabouts of the money he stole from the Consulate-General he asserted that it had been taken from him by "bad Koreans" in Nanking, during a short excursion he made to the capital in an effort to reach Tientsin. The "bad Koreans" left him only a railway ticket to Shanghai and $3. Returning to Shanghai, he sought asylum at the home of a Korean on Bubbling Well Road and was recaptured there by the Consular Police. He has in the meantime been transferred to Nagasaki for trial.

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New Books of Interest in the Far East

A Typical Marquand Effusion

Think Fast, Mr. Moto. By John P. Marquand. Little, Brown and Co., Boston. $2.00 *(U.S.)*

This is the third "Mr. Moto" story which John P. Marquand has written serially for the *Saturday Evening Post*,—a Charlie Chan type of mystery story with a Japanese secret service agent instead of a Chinese detective as the hero. While Mr. Marquand has made himself more familiar with the Orient than many a fiction writer who seeks to use it for local color, yet his story is disappointing in its evidence of haste in writing and carelessness in technique.

The English is pretty poor at times, and although this criticism applies chiefly to the dialogue, it is true of all the characters, so can hardly be a part of characterization. Sometimes the author lays himself open to this criticism directly, as when at the beginning of Chapter II he says, "It had been his uncle's habit to dine with him quietly, at least three times a week." Since it is the nephew *dining with the uncle*, it is scarcely coherent, nor is there any need for the comma. Again it is the author speaking when he says, "He had been selected to deal with a bitter and a probably unscrupulous woman," and "Mr. Stanley sat down next to the table," when he obviously means that "he sat down at the table." Here are a few of the incorrect or cumbersome expressions within quotation marks, whose correction we leave to an eighth grade English class:

"—what I guess I think he is." (p.17)
"I believe that you have got brains." (p. 26)
"—it has been dawning on me for the last short while." (p. 27)
"Ned was a wild boy back at home." (p. 29)
"When the family drums anyone out of camp, they dont' speak of them to the rising generation." (p. 29).
"—not since King Kamehameha lay down the law." (p.150)

And what would one make of this bit:

"Have you thought that it might be dangerous to call on Mr. Moto?"
"No," said Wilson, "I hadn't. Why?"
"Well, you know best," Eva said. "I should be if I were you."

Of course Shanghai people will smile that any firm name should be so well-known that "both rickshaw men" and the "bearded Sikh policeman" would call the new representative by name. As Honolulu citizens will be amused to learn that their city is on an island "in the middle of the Pacific." But a more general criticism is that the author has to keep telling his readers that this is a great mystery, also that everybody tells everybody else the deep dark secrets he knows, and that the inexperienced young representative of the Shanghai firm, sent to Honolulu to buy out a gambling place operating under the firm name, is constantly surprised at his own cleverness, his coolness, his ability and adroitness. He stops in the most dangerous situations to ponder on his smartness, until on p.200 he is "half-stunned by his own capacities." Every time Mr. Moto asks Hitchings, the young representative, if he understood, if he knew what he meant, if he followed his meaning, he had said, "No,—please tell me." Still Mr. Moto says, "Your mind is so very-very quick that possibly you could guess."

However, for those who enjoy a mystery story where the suspense is not too great, one that reads quickly and entertains, we recommend this. It is a good yarn for light summer reading, or for a journey.

G. T. F.

A Natural Wonder Along the Australian Coast

Wonders of the Great Barrier Reef, by T. C. Roughly, B.Sc., F.R.Z.S. Published by Angus & Robertson, Ltd., Sydney, Australia. Price 12/6.

It is remarkable that so beautiful a work, with fifty-two natural-colour photographs, can be bought for so low a price. The colour work is exceptionally fine and worth the study of any lover of art or of natural history. The writer is not only a scientist of the highest order but a great lover of wild life.

In this work he describes one of the great natural wonders of the world, the great Barrier Reef off the northeast coast of Australia. This Reef is said to be the greatest barrier reef in existence and for the interest, variety and beauty of the life it contains, it is probably unrivalled by any other region of similar extent whether on the land or in the sea." Countless millions of tiny coral polyps have formed twelve hundred and fifty miles of coral and coral islands.

The tints of the corals and the brilliant hues of the fish and clams are fascinating to behold. Marine animals that are drab and unattractive elsewhere are here displayed in the most brilliant colours. Those that are small and inconspicuous elsewhere become here the giants of their race.

Flowers, sea stars, sea urchins, beche-de-mer, turtles, crabs, shellfish, and sea birds by the millions are here described. In the final chapter on "Flotsam and Jetsam" he mentions the luminescence in the water as one's paddle ruffles it or one's fish line sinks through it. As the waves recede they may leave many points of light glowing on the sand. The writer claims that this phenomenon has nothing to do with phospherescence but is due to the light emitted by minute organisms which have the faculty of producing the most efficient of all lights, because it is the only light known that is formed without the generation of heat.

The work has an excellent Index and a Glossary of Scientific Nomenclature.

It is heartily commended to all nature lovers. R. F. F.

A Novel of Japanese Life

Lotus Through The Slime, by Omori Harris; London: Sampson Low, Marston & Company, Ltd.

This is an inconsequential little novel of Japanese life in which, as the title indicates, virtue comes through with flying colors after a protracted struggle. The story concerns a country youth, Ichiro Koyama, and a city-educated girl, Fujiye Watanabe, who both go through an agonizing time working out their independent destinies.

The couple first meet in their home village, where it is a case of love at first sight. However, an old family feud and the boy's ambitions to succeed in the great world prevent them for marrying immediately. Ichiro departs for Tokyo to make his fortune and thus be able to marry Fujiye, while the latter stays in the home village waiting for him. They are separate for nearly two years by circumstances and both go through severe trials. However, of the pair the girl has the hardest battle and the account of it reads like an old-fashioned melodrama of the earliest cinema days. Their reunion quite outdoes the cinema in that respect. The closing chapter ends with yet another sacrifice on the part of the heroine, who, long since, has thoroughly bored the reader. C. D.

Holland's Ambitious Plan to Industrialize Her South Seas Empire

Holland has embarked upon an ambitious plan to industrialize her gigantic South Sea empire, according to the *Far Eastern Survey* of the American Council, Institute of Pacific Relations. "As a means of reducing Netherlands India's dependence upon imported goods, particularly Japanese, and as a solution of the problems of population pressure, unemployment and curtailed agricultural production, which in Java has reached critical proportions, the Dutch Government is planning to promote a large number of widely scattered, small industries employing from 50 to 500 people, producing consumption goods for the local market," the Survey states.

Pointing out that there is no thought of establishing large industrial centers which would draw the people from the land, Geertrui M. van Eeghen, contributing research associate, claims that the Government's move is intended to foster greater initiative in commerce and industry among the native population, so that the islands will become less dependent economically upon the enterprise of foreign interests.

New Information Bulletin Gives Economic Facts on North China

A general appraisal of the economic value of North China from an academic point of view is given in the current issue of the *Information Bulletin*, Vol. IV, No. 3, published by the Council of International Affairs, Nanking.

The author, Tien-tsung Sih, has included in the term North China the provinces of Hopei, Shantung, Shansi, Chahar and Suiyuan, "not because they constitute a distinct political or economic unit, but rather on account of the fact that these are the provinces which the Japanese tried unsuccessfully to detach in 1935 and which evidently they have not yet abandoned hoped of ultimately detaching."

The aim of this Bulletin is to acquaint readers with the potentialities of the territory and its place in the economic life of China. The sections separately treated in this short survey are: population, agricultural products, sea products, mineral resources, industry, the manufacture of foodstuffs and beverages, banking and rural economy, transportation and conservancy works. According to the author, there are 82,394,707 people of North China. A number of statistical tables are given to accompany the different topics.

Herbert Clyde Lewis Publishes Novel, "Gentlemen Overboard"

Herbert Clyde Lewis, who served as a reporter on the *Shanghai Evening Post* in 1930 and on the *China Press* in 1931 and 1932, has published his first novel, "Gentlemen Overboard." The book is receiving favorable reviews in newspapers and magazines just received from New York. The story is about what it feels like to fall off a ship in mid-Pacific. "With as much calm authority as though he had fallen overboard himself," says *Time Magazine*, "Lewis tells just what it feels like."

"International Quarterly" Discusses World Problems

The Spring number of the *International Quarterly*, publication of the three International Houses in the United States, located at New York City, Chicago, and Berkeley, California, has just been issued, including a short comment on education in Hangchow, by Dr. Tao Heng-chih, Director of the Chinese National Liberation Education Association and formerly Dean of the School of Education of Southeastern University, Shanghai.

Other articles in this issue are Daydreams in Mexico, America's New Pioneers, Pageant in Jerusalem, A Viennese Looks at Vienna, The Jew and His Faith, and contributions concerning Germany and France.

Carl Crow to Issue New Book, "Chinese Silhouette" Next Year

Encouraged by the success of his recent book, "Four Hundred Million Customers," Carl Crow is preparing the manuscript for another book entitled, "Chinese Silhouette," to be published some time next year. He will arrange for publication in the United States when he makes a trip home next autumn. The theme of Mr. Crow's book is to dispel the popular impression in Western lands that there is anything inscrutable about the Chinese. With the object of showing that Chinese are not any more mysterious than any American or Briton, Mr. Crow, in his book, will attempt to make a readable interpretation of the Chinese life and customs in the light of Western experience and understanding.

Opportunities for Trade Contacts in the United States

Persons desiring further information concerning trade inquiries should communicate with the Commercial Office of the American Consulate General, giving the number the particular item.

908 — St. Louis, Mo., firm wishes to secure names of manufacturers of human hair nets.

909 — Shanghai company desires to contact American firm in Shanghai interested in exporting asbestos to the United States.

910 — A San Francisco firm is desirous of exporting fresh and dried fruits, and importing Chinese linens and handkerchiefs.

911 — San Francisco importer would like to get in touch with exporters of natural silkworm gut, used for fishing tackle and surgical sewings.

912 — Tampa, Fla., firm wishes to import galvanized barbed wire, all types of wire nails, woven wire fencing, galvanized poultry netting, galvanized staples, galvanized iron, plain and corrugated, and other wire products.

913(1009) — An individual in New Rochelle, New York, is in a position to supply rabbit tails and weasel tails.

914(1010) — The proprietor of a gift shop in Eugene, Oregon wants to purchase Chinese art goods, linens, teakwood stands, boxes, silk by yard, etc.

915(1011) — A New York company wants distributor outlets for condensing units for electrical refrigerators and air conditioning equipment.

916(1012) — A firm in Chicago, Illinois, has requested market information and possible distributors for radios.

917(1013) — A New York company wants reliable and energetic representative or responsible importer for its line of corsets.

918(1014) — A New York concern wishes to act as selling representative on commission basis for hemp seed and similar commodities.

919(1015) — A company in Reading, Pa., wishes to sell on this market its line of goggles for aviators, industrial protection devices for eyes, etc.

920(1016) — An individual in Albany, New York, wishes to purchase Chinese curios.

921(1017) — A market for prepared baby foods is desired by a company in Rochester, New York.

922(1018) — A Los Angeles, California, company wants to import Chinese bamboo for ski sticks.

923(1019) — Agents are desired by a Long Island City, New York, concern for ladies' silk hosiery.

924(1020) — A New York concern wishes to act as representative for Chinese shippers of goatskins, casings, wool, cotton waste, bristles, oils, metals, egg products, etc.

925(1021) — A firm in New York wishes to make arrangements with firms in China to develop business in United States for hides and skins on commission basis.

926(1022) — A firm in Akron, Ohio, is able to supply parts to local manufacturers of trusses.

927(1023) — A firm in Bonner Springs, Kansas, wishes to expand its export business in flour mill, feed mill, cereal milling and elevator machinery.

928(1024) — A company in Hammond, Indiana, wants agents for tire chains and industrial chains.

929(1025) — The California representative of a large pipe organ manufacturing company has written that he desires a local representative.

930(1026) — Distributors for electric arc welder desired by a New York company.

931(1027) — A New York company wants to contact local shippers of human hair stumps.

923(1028) — A New York firm has requested names of possible distributors for expansion plugs and all types of filters.

924(1029) — A New York corporation desires to increase its export market for radio receivers, sound apparatus, and household electrical appliances through contact with importers and wholesale firms handling these lines.

925(1030) — Sales Agents and representatives are desired by a firm

CUSTOMS NOTIFICATION NO. 1582

The public is hereby notified that the following instructions have been issued by the Government.

(1) The exportation abroad and to Manchuria, including Dairen, of wheat is prohibited until the 30th June 1938.

(2) The following export tariff duty rates on cereals are to be applied provisionally until the end of October 1937.

Buckwheat:	$0.21 per quintal
Kaoliang and Maize:	$0.24 „ „
Millet:	$0.43 „ „
Cereals n. o. p. f.:	$0.41 „ „
Flour n. o. p. f.:	7½% *ad valorem.*

CHU CHANG-NIEN,
Superintendent of Customs.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 6th July 1937.

DEMOCRACY

July 8, 1937

Feudal Days in China, *by Frederick Schultheis*

Life Begins at Fifty, *by Edgar Snow*

Half a Million Shylocks, *by Haldore Hanson*

Japan's Propaganda Machine in the North, *by Jonathon White*

The Student Movement before the Revolution, *by Chen Chung-p'eng*

Mexican Re-birth, *by Li An-che*

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In the United States Court for China

IN THE MATTER OF A. C. ROW, BANKRUPT. IN BANKRUPTCY.	Cause No. 4151 Special Proceedings No. 2030 NOTICE Filed at Shanghai, China, William T. Collins, Clerk. L. T. Kenake, Asst. clerk.

NOTICE OF THIRD MEETING OF CREDITORS

To the creditors of A. C. Row, of Shanghai, China, a bankrupt:

Notice is hereby given that on the 5th day of January, 1937, the said A. C. Row was duly adjudicated bankrupt; and that the third meeting of his creditors will be held in the United States Court for China, at Shanghai, on the 17th day of July, 1937, at 10:00 o'clock in the forenoon at which time the said creditors may attend, prove their claims, and object to his discharge, if they have any objection, and transact such other business as may properly come before said meeting.

July 7, 1937.

MILTON J. HELMICK
Judge.

In the United States Court for China

IN THE MATTER OF A. C. ROW, BANKRUPT.	Cause No. 4151 Spec. Proc. No. 2030 BANKRUPT'S PETITION FOR DISCHARGE Filed at Shanghai, China, This 21 day of June, 1937, William T. Collins, Clerk. E. J. Collins, Dep. clerk.

BANKRUPT'S PETITION FOR DISCHARGE

To the Honorable Milton J. Helmick, Judge of the United States Court for China.

Albert C. Row, of Shanghai, China, respectfully represents that on the 5th day of January, 1937, he was duly adjudged bankrupt under the acts of Congress relating to bankruptcy; that he had duly surrendered all his property and rights of property, and has fully complied with all the requirements of said acts and of the orders of the Court touching his bankruptcy.

WHEREFORE he prays that he may be decreed by the Court to have a full discharge from all debts provable against his estate under said bankruptcy acts, except such debts as are excepted by law from such discharge.

Dated this 21 day of June, 1937.

A. C. ROW

in St. Louis, Mo., for feed grinders.

926(1031)— A New York corporation has sources of supply and would welcome inquiries regarding various new steel products such as bars, shapes, plates, wires, sheets, tinplate, rails, tubes, etc., also surplus steel materials, such as wire shorts, wire rod rejects, plate cuttings, etc. Also can supply scrap steel materials of all classifications, including steel plates from tanks, structural shapes, etc.

936(1032)— An individual from San Diego, Calif., can supply rock crystal, rose quartz, amethyst, malachite, etc., to Chinese firms engaged in lapidary business.

937(1033)— A New York company wishes to act as agents for exporters of teaseed, seasame, wood oil, vegetable tallow and bristles.

938(1034)— An individual in Philadelphia, Pa., wishes to act as agent for exporters of China goatskins, sheepskins and dry China kips.

939(1035)— A St. Louis, Mo., firm wants foreign representative for staple drugs, pharmaceuticals, synthetic organic chemicals, toiletries and complete line of sundries.

940(1036)— A request has been received from Philadelphia, Pa., for names of manufacturers of yard silk and ladies' hand embroidered silk lingerie.

941(1037)— A company in Portland, Oregon, desires distributors for knocked down wooden boxes.

942(1038)— A Philadelphia, Pa., firm wants to purchase No. 1 clean old Manila rope and old sail canvas.

943(1039)— A firm in Jacksonville, Florida, writes that they are exporters of scrap iron and can supply this material to firms in China.

944(1040)— An inquiry has been received from a person in Boston, Mass., desiring to import hand-made linens and laces.

945(1041)— A firm in Stamford, Conn., wishes to establish representation abroad for electric dry shaver.

946(1042)— A firm in New York, N.Y., is able to furnish woolen mill industry with new and old woolen, rayon and cotton rags and clippings.

947(1043)— A New York, N.Y., organization desires agent for American neckties.

948(1044)— A corporation in New York, N.Y., desires to contact possible buyers of wood preserver and wood rosin, pine tar, coal tar, cattle dip, coal tar disinfectant, coal tar pitch, deodorants and pine pitch.

949(1045)— A firm in Cleveland, Ohio, wants to contact persons, firms and companies engaged in exporting fine ivories and Chinese objects of art.

950(1046)— An individual in Nashville, Tenn., would like to sell used glass bottles in China.

951(1047)— A representative for motion picture films is desired by a firm in Oakland, Cal.

952(1048)— A New York, N.Y., firm wants direct connection with Chinese producers of linen and cotton articles such as bridge and table sets, towels and napkins.—Toys, games and novelities.—dried whole eggs, dried yolk and dried albumen.

953(1049)— A firm in Kansas City, Mo., desires to contact exporters of China wood oil.

954(1050)— A New York company wishes distributors for cosmetics, drug specialties, automobile oils and greases, and rubber goods.

955(1051)— A request for representatives for labels, jewelry and duplicator ink and correction fluid has been received by a firm in New York, N.Y.

956(1052)— An individual in Tampa, Florida, wishes to sell cigars in local market.

957(1053)— A New York firm wants to contact exporters of China wood oil, teaseed oil, vegetable tallow, sesame seed and oil seeds.

958(1055)— A firm in New York, N.Y., desires to increase its export business in radios and is looking for dealers to handle its line.

959(1056)— A corporation in Ann Arbor, Michigan, has inquired regarding sales possibilities and suitable agents for radio and camera.

960(1057)— A firm in Detroit, Michigan, has inquired regarding possible outlets for its marine engines.

961(1058)— An individual in Los Angeles, California, wants to obtain ginseng seeds.

962(1059)— An individual in Houston, Texas, wishes to purchase sesame seeds.

963(1060)— A firm in New York, N.Y., wants to contact manufacturers of textiles, novelties, decorating supplies, artificial leather, suede, cloth and paper flowers, chromium parts and fittings, kapok, waste for packing, etc.

964(1061)— A firm in New York, N.Y., wishes to introduce the use of its waterproofing compounds to dealers in building materials.

965(1062)— A St. Louis, Mo., company wants to extend its business of selling paper specialties.

966(1063)— A company in Los Angeles, California, wants to purchase raw food materials such as water-chestnuts, bamboo, green beans, soy sauce, etc.

967(1064)— A firm in Louisville, Kentucky, desires sales agents in Shanghai for black lacquer bases and synthetic resins.

968(1065)— An individual in New York, N.Y., wishes to get in touch with exporters of tungsten ore and antimony oxide.

969(1066)— A Chicago, Illinois, company wants reliable representative or distributor for geographical globes that are shipped unassembled.

Are You Afraid Of 13?

By many people even in these enlightened days, thirteen is still considered an unlucky number.

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Latest New York Stock Exchange Quotations

July 7, 1937

Stock Exchange—Business Done:-

Total Volume: 1,410,000 Shares

1937 High	1937 Low	Div. $ per sh.	STOCK	Last Sale July 2	Last Sale July 6
22⅜	15	0.55	Adams Express	16⅝	17¼
83½	57½	2.00	Allis Chalmers	62⅛	65
121	90⅝	5.00	American Can	97⅜	102
35⅞	26⅝	0.60	Amer. Cyanamid "B"	30⅝	31⅜
13⅜	6	—	American & For. Power	7⅝	8¼
68⅜	47½	—	American & Foreign Pwr. $7. pfd.	50	51¼
29½	18⅜	0.60	American Radiator	20	21⅛
187	159⅜	9.00	American Tel. & Tel.	167¼	169¼
99	74½	5.00	American Tobacco "B"	77	78
29½	16	0.80	American Waterworks	17½	18
69½	48½	1.25	Anaconda Copper	54	56½
93⅜	69½	2.00	Atchison, T. & S. Fe	78¼	81⅛
36⅜	14½	—	Auburn	16¼	16⅜
40½	20⅝	—	Baltimore & Ohio	26⅞	29
105½	78	2.50	Bethlehem Steel	85¾	91⅜
49⅜	27½	—	Boeing Airplane Co.	30¼	32¼
17½	12½	—	Canadian Pacific Railway	12¼	12⅝
176½	138	4.00	Case, J. I.	161⅞	167
90½	62	3.00	Chesapeake Corp.	70½	71½
68⅞	50⅛	2.80	Chesapeake & Ohio	53½	54½
135¼	95⅛	13.00	Chrysler	97⅝	104⅝
20⅞	10½	0.40	Columbia Gas Electric	11⅜	12
21¼	13	0.80	Coml. Sovents	13½	14⅛
4⅛	2⅛	—	Commonwealth & Southern, ord.	2⅜	2½
49⅜	32	2.25	Consolinated Edison	34¼	34⅜
17⅞	14⅝	0.80	Consolidated Oil	15⅜	15⅝
47⅜	40¼	1.25	Continental Oil	47⅛	48⅛
71¼	55	3.75	Corn Products	62½	63
77¼	48	—	Douglas Aircraft	57½	61⅛
180½	148½	5.95	Du Pont de Nemours	152	153½
28⅛	14	—	Electric Bond & Share	16	16⅜
64⅞	50⅜	1.65	General Electric	53	54⅝
44¾	36⅜	2.35	General Foods	37	37½
70½	48¾	4.00	General Motors	50	53⅜
65⅛	42	1.00	General Railway Signal	45	47⅜
50½	31	1.50	Gold Dust	38⅝	40⅞
47⅞	27⅜	1.00	Goodyear Tire & Rubber	38½	40⅞
87	73½	0.37	Humble Oil	78½	80½
73⅜	55½	1.75	International Nickel	58½	61
15⅞	9⅞	—	International Tel. & Tel.	10⅝	11⅝
69⅜	51	1.95	Kennecott	58⅜	59⅞
84½	64½	4.00	Loew's Inc.	77½	80
28⅝	20	1.50	Lorillard	21	21⅜
101	85	3.00	Monsanto Chemical	91½	93
69	50¾	4.30	Montgomery Ward	57	59¾
33¾	23	0.72	Nat. Bond Investment	26	27¼
26⅛	18¾	1.20	National Dairy Prods.	19	19⅜
35	27½	2.75	National Distillers	29½	30
14¾	8⅞	0.60	National Power & Lt.	9½	9⅝
55¼	34⅞	—	New York Central	37	39⅝
34⅞	21¾	1.30	North American	24⅛	25⅜
38	28½	1.75	Pacific Gas & Electric	29	29⅜
53¾	40½	3.00	Pacific Lighting	41½	42¾
12⅝	8	0.50	Packard Motors	8½	8¾
50¼	34¾	1.00	Pennsylvania Railroad	37¼	40⅜
59¼	49½	2.75	Phillips Petroleum	57	59¼
52⅜	37	2.65	Public Serv. of N. J.	40¼	42
12⅜	7¾	—	Radio Corporation of Amer.	8⅞	9½
58	49	3.00	Reynolds Tobacco "B"	49¾	50
51⅜	38⅝	4.50	Schenley	39½	40⅜
95⅜	81	6.75	Sears Roebuck	90⅞	91¾
20¼	16¼	0.75	Socony-Vacuum	20⅛	20⅜
32½	23½	1.50	Southern California Edison	24½	25
65⅝	41½	—	Southern Pacific	43½	45⅝
16¼	11¾	1.05	Standard Brands	11⅞	12
14⅞	5⅞	—	Standard Gas & Electric	7	7½
76	63⅝	2.50	Standard Oil Co. of N. J.	67¼	68⅛
75	62	4.10	Sterling Products	62	62¾
44	34¼	2.50	Texas Gulf Sulphur	35¾	36
17⅝	12½	0.45	Transamerica	13	13½
111	95	2.90	Union Caride & Carbon	99⅝	101½
148¾	122	6.00	Union Pacific	123½	125
35⅛	24¼	0.50	United Aircraft (New)	29⅛	30
24⅜	14⅜	0.20	United Airline Trans.	16⅝	17⅜
13⅝	4	—	United Corporation	4½	4¾
17	11⅛	1.00	United Gas Improvement	12⅜	12¾
43⅝	28⅝	—	U. S. Indus. Alcohol	30¼	31¾
72⅜	41¼	—	U. S. Rubber	58¾	62½
126½	75	—	U. S. Steel	101⅛	107
39⅝	24¾	—	Vanadium	27⅝	29
18	12	—	Warner Bros. Pictures	13⅛	13¾
167⅝	130¼	6.00	Westinghouse Electric	141½	147¼

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How many miles to a gallon can be obtained with the NEW 1937 Ford "60" h.p. car?

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Easton, Maryland.

My regular run on my mail route is 65 miles, and on my route there are 216 mail boxes. Driving my "60" Tudor Touring Sedan, I stop at most of these boxes every day. Starting off with a full tank regularly, it takes just three gallons to fill the tank up again when I get back. That's 22 miles on a gallon, making around 200 stops in 65 miles, under the worst possible road conditions.

I've had fifteen Ford cars in the past twenty-nine years and I sure do like this 60 h.p. car. I can run rings around other mail carriers on this kind of work, some of whom drive competitive makes of cars.

The size and convenience of the rear trunk are a great help to me. I can carry as many as four large mail pouches in the trunk when I am on the Star Route in addition to the rural route.

Wm. E. Sharp

Ford

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